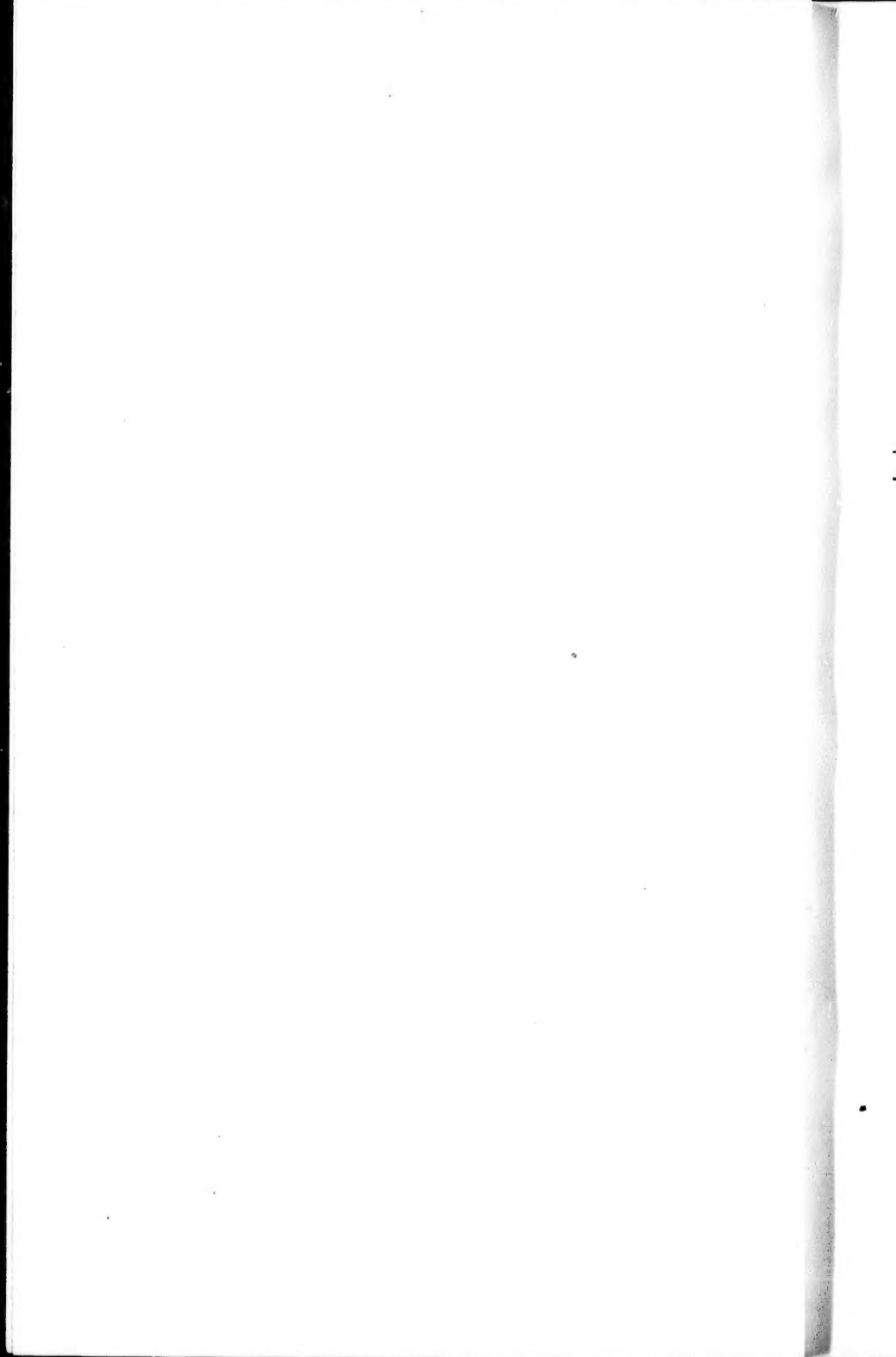




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LETTER

TO

THE HON. WILLIAM H. SEWARD,

Secretary of State,

IN ANSWER TO ONE FROM HIM ON THE RESOLUTION OF
THE SENATE AS TO THE

RELATIONS OF THE UNITED STATES

WITH

THE BRITISH PROVINCES,

AND THE ACTUAL CONDITION OF

THE QUESTION OF THE FISHERIES,

FROM

E. H. DERBY.

JANUARY, 1867.

WASHINGTON, D. C.:

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In the Senate of the United States, July 27, 1866.

Resolved, That the President be requested, if, in his opinion, not incompatible with the public interests, to furnish to the Senate, at the next session of Congress, any information in his possession concerning the practicability of establishing equal reciprocal relations between the United States and the different British Provinces of North America, including the British possessions on the Pacific, and also concerning the actual condition of the question of the Fisheries, with such recommendations as he may choose to make, tending to the peaceful arrangement of these important matters.

(Signed,)

J. W. FORNEY,
Secretary.

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REPORT.

To the Hon. WILLIAM H. SEWARD, *Secretary of State for the United States.*

SIR:—The Resolve of the Senate on the opposite page, calls upon the Executive for the latest information as to the state of the Provinces of British North America, the possibility of establishing reciprocal relations and the actual condition of the question of the Fisheries.

Acting under your commission of October last, with a view to obtain the information required by the Senate, I have devoted much time to this important subject—taken the most effective steps to procure statistics, and after consulting the merchants engaged in the Colonial trade and the fisheries, I deemed it advisable to visit the Provinces.

There I conferred with the leading men and officers of government; discussed the question of reciprocal trade with the Chamber of Commerce at Halifax; visited the coal-fields and gold mines of Nova Scotia; made a voyage through the Gulf of St. Lawrence, and, in conformity to your orders, submit my Report in two parts;—the one suggestive and advisory, already in your possession, while the other, now submitted, presents most of the facts I have collected to illustrate the questions at issue.

BRITISH NORTH AMERICA.

The configuration of this vast territory first attracts our attention. It not only severs us from the fisheries in the great bays of the north and from the friendly settlements of Russia, by a frontier of more than three thousand miles, but by the Peninsula of Nova Scotia on the Atlantic and the Isle of Vancouver, of nearly equal size, on the Pacific; it projects into both

oceans, overlaps both our coasts and presents in Halifax and Victoria great Naval Stations, in close proximity to our routes both to Europe and to Asia.

FRONTIER POSTS AND FREE PORTS.

This great territory upon our borders, but sparsely settled, with tariffs varying from our own and free ports at Gaspe, Lake Huron and Vancouver's Island, offering every facility to evade our customs and to break down the revenue on which we rely to sustain our government, has subjected our country to large annual expenditures for frontier ports and custom houses, which have not for the last half century paid their expenses.

VALUE OF TERRITORY.

The principal part of this territory has for the last 180 years been withheld from civilization by the Hudson Bay Company, who devote it to the production and nurture of the wild animals of the forest.

In their schedule of property it is rated at less than two cents per acre.

This territory, remote from Great Britain, although of great intrinsic value, is worth little to her, except for the lumber and fur trade, and a market for less than a twentieth of her manufactures.

Canada and the Maritime Provinces have for more than a century been led to devote their energies to their land, forests and fisheries, and the construction of new ships for the British Empire. They no longer rely upon the Mother Country to protect their exports. They are anxious to extend their commerce and to provide the mechanism for manufactures, by which England has made the world her tributary. With the expansion of their commerce and manufactures, they cannot long remain dependent on England.

CLIMATE AND SOIL.

The climate of this region is much milder and more genial than is generally supposed. The isothermal line, drawn from West Point to the Russian settlements near the 56th degree of latitude, gives the mean temperature of Paris and Brussels. It trends to the north as it leaves the Atlantic and approaches the

Pacific. The Pacific coast resembles the westerly coast of Europe, from the prevalent course of the winds.

As we pass northerly from the fountains of the Missouri, the mountains subside and the climate softens in consequence, and cattle and buffalo winter in the open air.

If we draw a line from Quebec to the southern limit of the Russian Territory, we shall find south of this line a region, of size sufficient to form fifteen States, and competent to produce wheat, barley and oats, with vast forests of timber, extensive prairies and valuable fisheries, well adapted for the use of man.

On the waters of the St. Lawrence, the great pineries occupy more than 287,000 square miles. Forests abound upon the inland lakes and streams west of Superior.

The telegraph corps, now extending its lines through British Columbia, find the chief obstacle in forests whose trees are eight to ten feet in diameter, while they report that the great river Knickpack, almost unknown to geography, but as large as the Missouri and navigable for fifteen hundred miles, brings down from British America trees of eighteen inches diameter, and covers the shores of the Aleutian Islands with driftwood. Europe, since the time of Sir Walter Raleigh, when he found the great storehouse of deal and clapboards was in the Low Countries, but the forests from which they came in the North Countries, has drawn most of her wood and timber from the North Sea and the Baltic, but we, who are fast exhausting our forests as we clear our farms, must look for the future supply of our progressive nation north of the British lines.

The climate of the United States is comparatively warm and dry, but in British America, the ocean, winds, great rivers, bays and inlets, and vast forests and a higher latitude, give a more moist atmosphere.

With us the great crop is Indian corn, of which we raise more than of all other cereals combined,—to this we may add cotton, tobacco and grass, but with the cool summers and moist climate of the north, wheat, barley, oats and potatoes, give larger returns to the acre and a larger amount in proportion to the population, as is shown by the following extracts from the Census of 1860:—

Returns from the Census of the United States and from the Census of the Provinces for 1860.

	United States.	Canada.	Nova Scotia.
Population,	31,738,821	2,501,888	230,699
Horses,	7,257,000	725,744	28,789
Cattle,	28,751,315	2,375,957	156,357
Sheep,	23,298,807	2,517,781	282,180
Swine,	35,960,691	1,278,099	51,533
Indian corn, bushels,	827,624,528	2,624,100	37,475
Wheat, bushels,	170,176,027	28,213,760	297,157
Oats, "	172,089,095	45,634,806	1,384,437
Barley, "	15,825,898	3,692,021	196,097
Potatoes, "	151,659,000	39,506,359	1,986,789
Butter, lbs.,	459,672,052	52,705,854	3,613,880

These columns illustrate well the difference in the productions of the States and the Provinces. In population, Canada represents eight per cent., and Nova Scotia three-fourths of one per cent. of the population of the United States. And a comparison of the figures will show that Canada, when compared with the United States, produces more than its proportion of horses, cattle and sheep, but less than half its proportionate number of swine.

That it yields twice its proportion of wheat, three times its proportion of oats and potatoes, and three times its proportion of barley—but when we come to our great staple of Indian corn, which yields twice the amount of all our cereals and potatoes combined—which fattens our animals and furnishes both meat and drink, Canada does not produce one twenty-fifth part of her proportion. In butter, both Canada and Nova Scotia give an average—Nova Scotia excels alike in oats and potatoes, but in swine and breadstuffs is altogether deficient. This demonstrates that it is our province to supply the Provinces with corn, pork, lard and hams, and to join Canada in the supply of flour and wheat and to open our ports to the reception of Canadian horses, cattle, wheat and barley upon liberal terms.

*Census of**Nova Scotia.*

230,699
28,789
156,357
282,180
51,533
37,475
297,157
1,384,437
196,097
1,986,789
3,613,880

The subject of wheat is one of great interest to our country. While France in the last half century, by a wise division of land into small freeholds, has made sugar sufficient for her own population and carried her crop of wheat from 100 to 200 millions of bushels and annually supplies most of the deficiency of England with French flour, our crop in 1860 was but 170 millions of bushels, and is now less than that of France.

Under our system of agriculture, the crops of wheat diminish and insects come in to change the course of culture, and now we look chiefly to the extreme West for our wheat. Our supply is becoming insufficient to meet the home and foreign demand, and extreme prices are the necessary consequences. Nature, in her beneficence, has provided for the effects of an excess of heat in the States, and for an exuberance of moisture in the Provinces, by her diversity of climates.

MINERALS AND MINES.

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The island of Newfoundland has been compared to a ship anchored in mid-ocean for the purpose of taking fish. For many years it was governed as a man-of-war and females were not allowed to land there. Its soil is sterile and in past times it has relied entirely on its fisheries. Of late a geological survey has been made and valuable mines been opened. Small beds of coal and oleaginous shale and oil springs have been discovered, indicative of coal, and promising future discoveries, have been traced across the island. The Hon. C. S. Bennett has opened a very extensive mine of sulphide of copper, with veins, in the aggregate, thirty feet thick, and yielding 10 to 20 per cent. Two thousand tons were extracted in 1866, and it will be opened to double the delivery in 1867. Near this mine are beds of valuable marble contiguous to the sea.

These are important discoveries, as they serve to diversify the pursuits of the people.

If we pass to Cape Breton, the eastern part of Nova Scotia, we find rich veins of bituminous coal, fringing the coast and easily accessible from the sea.

These extend from Sydney to Louisburg, the ancient naval station of France; are found also in the Gut of Canso and on the shores of the Gulf and on the main land at Pictou and Cumberland. Coal from these mines, admirably adapted for smiths

use and gas works, can be landed on the coast of New England for \$4 per ton, or less than the cost on the Delaware.

It is a significant fact, illustrative of the different properties of coal, that eight or ten thousand tons of our anthracite coal are used in the furnaces and ranges of the seaports of Nova Scotia and New Brunswick.

One gold field of Nova Scotia extends nearly 200 miles, and the yield gradually increases, having been 18,744 ounces in 1864, and 24,867 ounces in 1865. The veins first worked proved irregular and unreliable, but more recent discoveries at Sherbrook and Renfrew prove continuous and rich, and are returning large sums to their proprietors, and will probably carry the whole product in 1867 up to a million of dollars.

Veins of iron ore run through the Cobequid mountain for 40 miles, so pure that it is sent to England for steel and cutlery, where it has superseded the charcoal iron of Norway. Beds of pure gypsum and barytes and the best grindstones on the continent line the shores of the Bay of Fundy. And Albertine, of great value, manganese and antimony are found in New Brunswick.

The Maritime Provinces are much superior in mineral resources to the New England coast.

In Canada important mines of copper have been opened at Bolton, Harvey Hill and Lake Superior. Oil wells and salt wells have been sunk, and gold has been found in varying quantities on the Chaudiere and St. Francis. A mineral belt, carrying both gold and copper, extends from Corinth, Vermont, through Lyman and Northumberland to the hills which form the boundary between Canada and Maine, where mining has been pursued successfully during the past summer.

The great mineral treasures of British America, however, lie in the valleys of the Saskatchewan, Frazer's and Columbia Rivers. Here veins of gold, copper and lead have been found, and coal traced through several degrees of latitude. On Vancouver's Island, near Victoria, are salt springs, in which the brine is four times as strong as the water of the ocean, extensive gold fields and coal mines, that have been opened for the supply of California.

These mineral treasures are of great value to the Pacific coast.

MacFie, a British writer, who had resided at Victoria and in British Columbia, after comparing the climate to that of Italy, observes: "There is a special feature in the topography and geology of California that cannot fail to deepen the interest of every one concerned for the progress of British Columbia, in the resources of the American State. Every indication of metallic or mineral wealth in the latter, renders the future prosperity of mining enterprise in the former more certain. The range of the Sierra Nevada, the source of metallic riches in California, is but an extension of the metalliferous ridge that passes through British Columbia, and the large quantities of gold already taken from the mountains of British territory, notwithstanding the limited appliances hitherto in use, give abundant promise that when more capital and labor shall have been attracted to the colony, the variety and extent of its resources to be developed will prove boundless."* And De Smet, after visiting British America as a missionary, and commenting upon its superior climate, soil and resources, well asks: "Are these vast and innumerable fields of hay forever destined to be consumed by fire or perish in the autumnal snows? How long shall these superb forests be the haunts of wild beasts? And these inexhaustible quarries, these abundant mines of coal, lead, sulphur, iron, copper and saltpetre—can it be that they are doomed to remain forever inactive? Not so. The day will come, when some laboring hand will give them value; a strong, active and enterprising people are destined to fill this spacious void. The wild beasts will, ere long, give place to our domestic animals; flocks and herds will graze in the beautiful meadows that border the numberless mountains, hills, valleys and plains of this extensive region."

*FISHERIES.

Upon both fronts of this territory, on the two oceans, are very valuable fisheries for whales, seals, cod, mackerel, salmon and other fish. These fish are taken in great abundance, both in the Gulf of St. Lawrence and on the shores of Nova Scotia, Canada, New Brunswick, Newfoundland, and also along the coast of British Columbia and Vancouver's Island. "Halibut are caught in immense numbers around the entire coast, but

* See extracts from MacFie, Appendix, page 133.

especially off the Straits of Fuca. Their size is often enormous, and it is asserted by an officer of the Hudson Bay Company that in 48 hours fishing a vessel of 600 tons might be laden with them."* The men who pursue these fisheries are of great value, both for the supply of the interior of the continent, and for commercial pursuits; and the fisheries serve as schools to rear and educate a body of hardy seamen, to man the merchant ships and fleets of the Republic.

Canada maintains a government vessel, *La Canadienne*, for the protection of the fisheries on the Canadian waters, under the charge of Pierre Fortin, Esq.

In his report for 1865, submitted a few months since, he refers to the American vessels employed in the fishery for mackerel, in the following terms: "The American schooners engaged in the mackerel fishery are the handsomest and best vessels of the kind in the world, and no vessels belonging to other nations can compare with them. It was estimated that there were this year from 1,050 to 1,200 of these American vessels engaged exclusively in the mackerel fishery on the Gulf of St. Lawrence. I made inquiries as to the conduct of such of the crews of these vessels as had landed this year on the Magdalen Islands, and was gratified to learn that they had committed no acts of depredation and had not disturbed public order."

The same gentleman, in speaking of the diminution of whales on the Atlantic, remarks: "There are regions seldom visited by man where these animals are still found in immense numbers, and of these some are not far from our own land. Of course I mean Hudson's Bay and Davis Straits, Baffin's Bay and the coast of Greenland. Those arms of the sea, impenetrable to mankind, except during the summer season, are still inhabited by numerous schools of the right whale, the humpback, the rorqual, and herds of sea lions and seals of all varieties." Hudson's Bay and its great arms extend south to the fifty-first degree of latitude, and are easily accessible from the Red River and Lake Winnipeg through the greater part of the year, and to these points we may look for great inland fisheries for both seal and whale, upon this reliable authority.

* MacFie.

The importance of these fisheries as schools for seamen, is further illustrated by Monsieur Fortin, by the striking fact that Canada gives a bounty of \$4 per ton to her fishermen at the very moment that we discontinue the one we have paid since the commencement of the century, although her fishermen are exempted from duties and have the fisheries at their gates.

RAILWAYS.

The Provinces have made much progress in railways; 2,411 miles of railway track have been laid, connecting Portland and the Riviere de Loup, below Quebec, with Lake Huron, and this has been effected at a cost of \$121,543,189. The means were furnished partly by the Provinces, partly by English stockholders.

The receipts for 1865 were nearly \$11,000,000, and the expenses barely exceeded \$7,000,000, leaving a net profit in the outlay of \$3,782,576, an average of three per cent.

The Grand Trunk line which runs for most of its length nearly parallel to navigable waters, has thus far returned little to its projectors, but its business is fast increasing, and has not been seriously impaired by the abrogation of the Treaty.

At a general meeting of the Grand Trunk Railway Company, at London, October 4, 1866, the Chairman, E. W. Watkin, M. P., stated that the net profits of the company for several years had been as follows:—

For half year ending June, 1860,	.	.	£6,000
“ “ “ 1861,	.	.	46,785
“ “ “ 1862,	.	.	63,436
“ “ “ 1863,	.	.	133,289
“ “ “ 1864,	.	.	181,791
“ “ “ 1865,	.	.	139,602
“ “ “ 1866,	.	.	207,720

He also stated to the meeting that “our manager, Mr. Bridges, has been sent down into the lower Provinces in order to investigate the position of their international trade, and he reports to us that there is a very large field for a new commerce to be carried on between Canada and the other provinces, which has so far been carried on between those provinces and the United States. In the article of flour in barrels alone, there is

business done in Nova Scotia, New Brunswick and Prince Edward's Island, to the extent of 767,000 barrels per annum, all of which is done with the United States. Of course, there is some trade with Canada now, but it is small. Our manager informs us that in future the greater part of this flour will be purchased from the flour producers of Canada. We shall get our share of this traffic, which will be a new source to supply the deficiency created by the alteration in the course of our former trade."

"Now, with regard to the intercolonial railway. That and the confederation of the Provinces, means the same thing, because one of the conditions on which the maritime provinces agreed to join Canada in confederation was, that a railway should be made to connect the railway system from Halifax with the Grand Trunk system at Riviere de Loup, below Quebec. Therefore, if the compact is made and completed and ratified by the imperial parliament, all cause of anxiety with regard to making the intercolonial railway is at an end. All the Provinces have agreed. There has been since the time Mr. Adams speaks of a general election in Brunswick, (which for some time stood out,) and now agrees to come into this confederation. The delegates from Nova Scotia and New Brunswick are already here. The delegates from Canada are expected in November, and I have no doubt that one of the first measures that the government will bring before parliament in February, will be to sanction the confederation of those Provinces."

The English managers of the Grand Trunk are urging confederation and intercolonial traffic. The new line will keep up the connection with England, even if it does, in part, supersede or compete with the Grand Trunk railway, and will give lucrative contracts.

In Nova Scotia a line has been opened to Truro, 60 miles, with a branch of 30 miles finished to Windsor, and branches in progress or completed to Pictou and Annapolis; and in New Brunswick a line of 108 miles from St. John to Shediac is in operation, and means have been provided for the extension of a line from St. John to Calais. As soon as our line from Bangor to Calais is complete a continuous track from Halifax to Lake Huron will be in operation.

EUROPEAN AND ASIATIC TELEGRAPHS.

Our great lines of telegraph, both to Europe and Asia, pass through portions of British America and are subject to foreign control. The line to Ireland passes through three British Provinces; the line to Russia extends across British Columbia. For this indispensable agent, we are dependent on a foreign power.

AMERICAN TELEGRAPHS.

In Canada 4,973 miles of electric telegraph have been completed, and 479,331 messages were sent in 1865.

In Nova Scotia, New Brunswick and Newfoundland several hundred miles more have been finished, which connect the Atlantic cable, Halifax and St. John with Boston, and messages are transmitted from the chief cities of the Maritime Provinces to the great commercial centres of our country. The railways and telegraphs of the Provinces have, in proportion to the population, made as great progress as those of the United States.

CANALS.

The chief canals of the Provinces are on the St. Lawrence in Canada, and with the Grand Trunk line, have materially contributed to the Canadian debt, now verging on \$80,000,000. Of these canals, 43 miles lie between Montréal and Lake Ontario, admitting vessels of 300 tons, and 28 miles lie between Lakes Erie and Ontario, admitting ships of 400 tons, while our own canal at the outlet of Lake Superior, with locks 12 feet deep and 70 feet in width, permits the passage of ships of ten to fifteen hundred tons burthen.

BANKING INSTITUTIONS.

Several banks are established in each of the Provinces. In Canada the capital of banks is \$30,700,000, the deposits in savings institutions were in 1865, \$2,711,651. The amount of banking capital and deposits in all the Provinces is less than the amount in our commercial and manufacturing State of Massachusetts.

MANUFACTURES.

Manufactures are still in their infancy in the Provinces; they have not had, until recently, the fostering care of government;

and while the Provinces rival us in some branches of agriculture and in moulding and sawing wood into shapes, which the English do not consider a manufacture, our country is greatly in advance in most branches of the arts. The State of Massachusetts, a State in size, position and natural resources inferior to Nova Scotia, has been proved by the census of 1865 to produce annually \$517,000,000. There has been nothing like this in the British Provinces; but of late years the accumulation of wealth, improved highways, and a gradual increase of tariffs have given a start to manufactures, and the Canadians at Toronto, Hamilton and other cities are making good progress in the production of boots, shoes, leather, woollens, linen, tools and machinery, while wooden furniture is shipped from Montreal to Europe.

In Nova Scotia and New Brunswick, also, manufactures of boots, shoes and sewing-machines, and foundries have been started under good auspices at Halifax, Windsor and St. John. A large sugar refinery is in progress at Halifax.

SHIP BUILDING.

Under low duties the Provinces, with an abundant supply of timber contiguous to the sea and navigable lakes and streams, have made good progress in ship building; in this they have been encouraged by the parent empire.

The ship-yards of the Provinces furnish nearly one-fourth of the ships that float under the British flag, and furnish annually 200,000 tons of shipping. The vessels of the Provinces are rarely constructed of oak, and are not as durable as our own ships, being built of spruce, beech, juniper and hæmetac, but they are well modelled, light and buoyant, and well adapted to the Provincial commerce.

The vessels built in the United States were,

In 1864,	383,805 tons.
1865,	429,645 “*

TONNAGE.

The following table gives the tonnage of the United States, the Provinces, and Great Britain: —

* See Appendix, page 243.

DATE.	United States.	Provinces.	Great Britain and Provinces.
1865,	3,368,476	1,088,000	6,300,000

Great progress was made in navigation by the Provinces, during the late war, as will appear by the following table, viz. :—

DATE.	Tonnage of New Brunswick in successive years.	Tonnage of Nova Scotia.
1860,	147,088	234,743
1861,	158,246	248,061
1862,	157,718	277,708
1863,	211,680	309,554
1864,	233,225	365,503
1865,	249,695	408,000

There is reason to presume that a part of this growth is due to the transfer of some American ships to the English flag, to avoid danger from piratical cruisers during the war.

I would respectfully suggest, that such transfers by neutrals have been sanctioned by usage in former wars, and as our country was able to give no convoy, and is interested in the preservation of the property of its citizens, and the recovery of its ships, that the owners of such vessels have suffered sufficiently, and should no longer be excluded from our registry by commercial rivals who sometimes assume the mark of patriotism. I am not prepared, however, to recommend the admission of Provincial vessels to our registry and coasting trade, while a foreign power controls the shipping of the Provinces. We must reserve this great privilege for the hour when we shall become more closely united.*

LUMBER TRADE.

There is no record of all the timber cut in the Provinces; but some idea of the quantity may be formed from the exports of each Province.

* See Appendix, page 132.

The exports of wood and its products have been, in year ending June 30th, 1866:—

From Canada,	\$13,846,986 00
New Brunswick, in 1865,	3,641,759 00
Nova Scotia,	776,034 00
	\$18,264,779 00

Included in the amount from Canada are 240,193 cords of firewood.

During the past year the shipments of lumber from Canada have been:—

To the United States,	\$6,461,015 00
Great Britain,	7,144,317 00

In the Year-book and Almanac of British North America for 1867, it is stated that the export duty on pine timber in New Brunswick is 20 cents per ton, and on pine plank and boards 20 cents per 1,000 feet, and that this duty yielded \$61,903 in 1865, and “that it replaces the stumpage duty formerly paid to the Province for every tree felled.” But \$4 only is paid for a license to cut timber, and by this substitution the duty is levied on American timber entitled to the free navigation of the St. John. Is not this an evasion of the Ashburton Treaty?

COMMERCE WITH BRITISH AMERICA.

In 1852, before the Treaty of Reciprocity, our exports and imports in commerce with the British Provinces were, by our records, less than \$17,000,000. In the year ending June 30th, 1866, by the same records, they exceeded \$82,000,000. The average growth has exceeded 25 per cent. per annum. In the tonnage of arrivals and departures, the growth has been quite as rapid, the amount having risen, in the year ending June 30, 1866, to 36,301 vessels, and a tonnage of 7,284,170 tons arriving and departing. Had the fiscal year terminated with March, since which there has been a decline, the whole amount would doubtless have been close upon eight millions of tons.

The above exports, imports and tonnage, exceed those in our commerce with any nation, except Great Britain.

In the commerce with Canada the American tonnage still predominates; in our commerce with the Maritime Provinces, the tonnage of Provincial vessels greatly exceeds our own, as will appear by the following tables:—

American Vessels in trade with the Provinces for Year ending June 30, 1866.

	ENTRANCES.		CLEARANCES.	
	Ships.	Tonnage.	Ships.	Tonnage.
Canada,	4,554	1,481,040	4,203	1,353,421
British Provinces,	790	209,673	760	246,218
British Columbia,	262	56,887	269	71,060
Totals,	5,615	1,747,609	5,232	1,670,699

Foreign Vessels.

Canada,	8,569	1,295,499	8,527	1,344,799
British Provinces,	3,977	524,679	4,272	677,858
British Columbia,	61	13,139	48	9,888
Totals,	12,607	1,833,317	12,847	2,032,545

Aggregate, 7,284,170 tons.

COURSE OF TRADE.

In this commerce for some years past our imports from the Maritime Provinces have been less than our exports, while our imports from Canada have exceeded our exports; during the past year, the Canadian excess having been by our returns thirty-two millions, and by Canadian returns, at least twenty millions. During the last months of the treaty and after a productive year, efforts were made to hurry the cattle, grain and other produce of the country across the frontier, while the state of our currency and prices and rates of Canadian duties were such that we could send little besides gold or our bonds in return for the surplus.

There is also one fact that stands out in bold relief, that, during the last year of the treaty, the aggregate exports of all the

Provinces to the United States were twice the amount of their exports to Great Britain—New Brunswick alone showing a small excess in her exports to the latter country, principally in the article of lumber. This result of an open commerce between the Provinces and the States, in the products of the sea, forest, mines and agriculture, clearly demonstrates that the great and natural market of the Provinces is here, rather than in Great Britain. By the Provincial records, the exports from the principal Provinces have been as follows:—

Exports from Canada, for year ending June 30, 1866:

To the United States,	\$34,770,261 00
Great Britain,	12,981,641 00

From Nova Scotia, for year ending September 30, 1865:

To the United States,	\$3,619,797 00
Great Britain,	764,742 00

From New Brunswick, for year ending December 31, 1865:

To the United States,	\$1,736,208 00
Great Britain,	2,594,661 00

From Newfoundland, for year ending December 31, 1864:

To the United States,	\$203,000 00
Great Britain,	1,373,000 00

From Prince Edward's Island for 1865:

Total exports,	\$1,512,825 00
To United States about	654,720 00
Great Britain and Ireland about	327,950 00

It is apparent from these returns that the exports from the Provinces to the United States, under the treaty, were more than twice as large as the exports to Great Britain, while the imports from the United States were, by the Provincial returns, but one-third less than those from Great Britain. The imports are less than the exports, and the trade with the United States has consequently become more important than the trade with Great Britain. The Colonial returns are confirmed by those of the United States.

EXTENT OF MARKET.

The merchants of the Provinces find the great market for their productions in the United States. Great Britain requires annually less than \$200,000,000 of the productions which the Colonies yield, and her wants are chiefly supplied by the Continent of Europe—France, Russia, Turkey and other nations supply breadstuffs and cattle at low rates.

Sweden and Norway furnish wood in all its varieties, and whatever may be the case two centuries hence, Great Britain requires no coal at present from her Provinces, and exports herring and mackerel.

The great and natural market of the Provinces is within the limits of our Union. Our census shows that here in 1859, \$1,900,000,000 of manufactures and \$400,000,000 of imports were exchanged for the surplus of \$2,500,000,000, the products of agriculture. It is to this great and growing market, not the limited market of the British Isles, that we can invite the colonists of England, and they have learned its value.

Such were the beneficent effects of the treaty of Reciprocity, which after some years of negotiation took effect in 1855, and was repealed under a notice from our government, March 17, 1866. It had quintupled our trade with the Provinces, given an impulse to public improvement, and utilized the new canals, railways and other avenues of commerce. It established also the fact, that the great and natural market of the Provinces was on this side of the Atlantic. The notice for repeal was given at a time when our country was deeply offended with Great Britain. In our great struggle for existence, she had given her sympathy to our foes. She had denounced slavery, but sought to establish a slave empire; she had built cruisers to destroy our shipping, and clippers to evade our customs; there had been difficulties on the frontier, and these may have have accelerated the fall of the treaty—but the treaty itself had serious defects. It was based upon the assumption that the two countries had made equal progress in the arts. It was well adapted to the Provinces, for they were devoted to the field, forest, sea and mines, but the United States had devoted nearly one-third of their energies and capital to manufactures, and consumed at home the principal part of their raw material.

Under the treaty, the exports of the Provinces were sent principally to New York and New England, and these had no coal, wood, herring, and little corn for export to the Provinces. It is true they had an abundance of boots, shoes, tools, cutlery, clocks, vehicles and furniture, and, before the treaty, sent them to the Provinces—but the treaty did not shield them from duties. Canada, anxious to raise revenue and solicitous to rival us in manufactures, imposed duties which checked the exports of New England. As the war progressed, we drew upon Canada for large supplies of horses, cattle and grain; while the treaty was expiring, her productions were pressed across the borders, and in the last year of Reciprocity, the importations from Canada, by Provincial returns, exceeded our exports by twenty millions. By our own returns there was a still larger excess. Under ordinary circumstances, we might have spared a portion of our gold, for we are drawing five times this sum from our western gold fields; but the war was drawing to a close; large armies were to be paid, and taxes to be levied; a large debt was to be funded, a paper currency to be redeemed and specie to be saved.

Under such circumstances, the check given by Canada to our exports operated against the treaty. Financial considerations called for its modification—the treaty became a dead letter.

Since the repeal of the treaty, the former duties of the United States have been revived, and a new duty of twenty per cent. has been imposed on animals. The Maritime Provinces, whose tariffs had been low and satisfactory to us, have retaliated by an advance of duties, while Canada, in a more liberal and magnanimous spirit, has reduced her duties one-fourth upon our manufactures, raised her duty to sixty cents on spirits, and proposes to discontinue her free ports, and to assimilate her duties, and she has, in concert with the lower Provinces, sent envoys to Washington to negotiate a new treaty, and I have good reason to believe, is ready to negotiate a new treaty on equitable terms. The other Provinces have very naturally advanced their duties. New Brunswick has increased her duty on tobacco, placed a duty of \$8 a head on horses and oxen, \$5 on swine, 75 cents on sheep, and \$1 per hundred with 3 per cent. *ad valorem* on beef, pork, hams, lard, and bacon. Nova Scotia has put a duty of 25 cents per barrel on flour, \$10 on horses, \$7.50 on cattle, \$5

on swine, \$1 per barrel on beef and pork, and \$2 per 100 lbs. on hams, tongues, and bacon, with \$1 $\frac{3}{4}$ per 100 lbs. on lard.

Prince Edward's Island has placed a duty of 25 cents per barrel on flour, and \$1 per barrel on beef and pork, and \$1 $\frac{3}{4}$ per 100 lbs. on hams, bacon, and lard.* Newfoundland has placed a duty of 36 cents per barrel on flour, 12 cents per barrel on oat and corn meal, 70 cents per barrel on pork, and 50 cents per barrel on beef, and 11 per cent. on lard.

Under such retaliatory duties, and others on less important articles, we may well expect a decline in our importations from all the Provinces, a serious check to our exports to the Maritime Provinces, and a decay of commerce.

It was predicted in my report of last year, as a necessary consequence of the repeal of the treaty, and the prediction has been verified. But eight months have elapsed since the repeal of the Treaty of Reciprocity; the returns of the custom houses are still incomplete, and we cannot, for some months to come, obtain the results of an entire year; but we have already some premonitory symptoms, — some returns, which indicate that the commerce with the Provinces, which has for the past eleven years increased at the rate of 15 to 20 per cent. per annum on each preceding year, and nearly 25 per cent. from the start, is now declining still more rapidly.

The following tables show the exports from Halifax to all the ports of the United States for six months before and six months after the expiration of the treaty, compared with those of the like period in 1865: —

* See Colonial Duties, Appendix, page 242.

PORT OF HALIFAX.—Total Value of Exports to each country during twelve months ending 30th September, 1866.

	QUARTER ENDING				Totals.
	December 2.	March 2.	June 2.	Septem'r 2.	
Great Britain, . .	\$23,897	\$17,692	\$49,996	\$93,614	\$217,199
Canada,	106,740	-	75,800	298,020	480,560
New Brunswick, .	85,790	40,948	98,346	57,332	282,416
Newfoundland, .	70,417	27,089	65,125	29,166	191,797
Prince Edward Isl'd,	106,710	-	83,702	21,928	212,340
British West Indies, .	236,174	286,277	276,389	209,901	1,008,732
Spanish West Indies,	110,314	142,937	99,294	76,565	429,110
French West Indies,	-	5,477	-	-	5,477
St. Thomas, . . .	2,878	8,688	5,372	5,995	22,933
St. Domingo, . . .	6,680	12,842	6,824	3,650	29,996
Brazil,	-	10,432	-	-	10,432
Africa,	8,825	32,336	-	-	41,161
Madeira,	-	-	-	12,813	12,813
St. Pierre,	3,706	2,299	3,862	17,288	27,155
United States, . .	574,027	537,915	109,174	117,855	1,338,971
Fisheries,	-	-	55,332	23,402	78,734
Totals,	\$1,336,158	\$1,154,932	\$929,207	\$969,529	\$4,389,826

PORT OF HALIFAX.—Total Value of Imports at the Port of Halifax, N. S., showing the value imported from the United States, during the Years ending 30th September, 1865, and 1866.

QUARTER ENDING	Total Imports.	Imported from U. S.
December, 1865,	\$2,417,077 00	\$825,744 00
March, 1866,	1,442,974 00	580,515 00
June, 1866,	4,632,692 00	734,961 00
September, 1866.	2,603,651 00	371,033 00
Totals,	\$11,096,394 00	\$2,512,253 00
December, 1864,	\$1,844,752 00	\$510,392 00
March, 1865,	1,017,752 00	334,352 00
June, 1865,	3,554,626 00	556,215 00
September, 1865,	2,711,317 00	517,265 00
Totals,	\$9,128,447 00	\$1,918,224 00

each country
3.

Totals.
\$217,199
480,560
282,416
191,797
212,340
1,008,732
429,110
5,477
22,933
29,996
10,432
41,161
12,813
27,153
1,338,971
78,734
\$4,389,826

the Port of
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25,744 00
80,515 00
34,961 00
71,033 00
12,253 00
10,392 00
34,352 00
56,215 00
17,265 00
18,224 00

The tables show an important growth previous to the repeal, and a decline of nearly three-fourths of the whole exports in the half year following the repeal. The decline in mackerel of 93 per cent., in herring of 91 per cent., and on dry fish of 65 per cent., on oil of 95 per cent., and on miscellaneous articles of 75 per cent.

The imports from the United States into Halifax, which exhibited a steady increase down to May, 1866, have since that period begun to decline, and give the following results for the quarter ending September 30, 1865 and 1866:—

Imports into Halifax from the United States.

For quarter ending Sept. 30, 1865,	. \$571,033 00
“ “ “ 1866,	. 371,033 00
Decrease 35 per cent., . . .	\$200,000 00

The official returns of the custom-house at Boston give similar results:—

Exports to British Provinces.

For second quarter of 1865,	. \$710,727 00
“ “ “ 1866,	. 776,810 00
“ third “ 1865,	. 580,658 00
“ “ “ 1866,	. 754,169 00

Imports from British Provinces.

For second quarter of 1865,	. \$685,430 00
“ “ “ 1866,	. 299,369 00
“ third “ 1865,	. 1,384,881 00
“ “ “ 1866,	. 945,373 00

While a slight increase appears in exports, possibly in anticipation of retaliatory duties, a decline of forty per cent. is shown in imports from the Provinces, in place of the gain of previous years. A decline in tonnage arriving is also exhibited:

For second quarter of 1865, . . .	89,008 tons.
“ “ “ 1866, . . .	50,013 “
“ third “ 1865, . . .	120,511 “
“ “ “ 1866, . . .	111,234 “

If we glance at Newfoundland, we shall find that the shipments of dry fish since March to the United States have declined to 1,459 quintals, against 12,858 in the corresponding period of 1865, while the shipments of fish to Spain, Portugal and the West Indies have increased, and the importations of flour, beef and pork, which formerly came from the United States, have declined from 207,000 to 153,000 barrels. The large shipments of oats, butter, eggs and potatoes, formerly made in steam-packets from Prince Edward's Island to Boston, have been discontinued, and the packets have been compelled to take fish from our fishermen—a less remunerative freight. The oats are sent to England; the eggs, poultry and butter to St. John, by the Shediac Railway, while the potatoes, of high repute in our market, are devoted to the swine. The island now fattens pork for Nova Scotia and New Brunswick, to replace that which came formerly from Ohio and Illinois.

The able comptroller of customs at St. John, New Brunswick, Mr. Smith, in his report on Trade and Navigation, just published, states that the lumber trade of the Province continues flourishing; the export having grown from 273,943,000 feet in 1860 to 331,925,520 feet in 1865, exclusive of shooks, masts, spars and timber.

He adds, "that the closing of the treaty, as far as we can judge at the present time, has had no injurious effect on the interests of either of the Colonies; the quantity of lumber sent forward to the States does not appear to decrease; the value of the article has been fully sustained, while their own people, who use it, have had to submit to a duty of 20 per cent. *ad valorem*, when it goes into the consumption of the country. This has tended to increase the value of timber used in the States, and has rendered it more difficult for their exporters to compete with us in the markets of the West Indies and South America."

He further states, that "in 1860, New Brunswick exported to Cuba 34,136 box shooks; in 1861, 79,250; in 1862, 92,781; in 1863, 224,447; in 1864, 260,291, and in 1865, 433,363. Nearly all the sugar-box shooks, used in Cuba, were supplied, a few years ago, by the State of Maine; but the British Provinces are now vigorously competing with that State for this trade."

The views of Mr. Smith, as to who pays the duties on lumber, are confirmed by the following tabular statement of prices in the city of New York.

Prices of Lumber in the City of New York in August.

	1860.	1865.	1866.
Spruce timber,	\$14 00	\$20 00	\$21 00
Pine "	14 00	21 00	22 00
Spruce boards,	15 00	21 00	22 00
Pine "	18 00	26 00	30 00
Clear Pine "	36 00	65 00	90 00
Laths,	1 55	2 40	4 00

There is evidence that the duty of twenty per cent. on lumber is not only paid in great part by our own citizens, but that it compels them also to pay twenty per cent. more for American timber, which in Maine, and several of our Western States, is held in large blocks, by a few capitalists and speculators, that it is injuring Maine and the nation at large by transferring our trade with the West Indies to foreigners, and injuriously affecting our manufactures and shipping. The price of lumber is determined chiefly by the price in Europe, and, to reach this country, it must command a price here sufficient to pay freight duty and charges, and to give net returns equivalent to those of a shipment across the Atlantic. It will be our true policy to reduce the duty. If we look at Canada, we shall find not only a great diminution in the shipment of animals across the border, but a material increase in the shipments to Europe.

The wheat, oats, and part of the barley* are taking the route to Europe without benefit to our canals and railways, if we may judge by the increased shipment from Montreal.

The tonnage of vessels clearing from Montreal has been as follows, for years ending Dec. 14th :—

1864, 141,387 tons; vessels from West sent to Europe, 20	
1865, 134,347 " " " " " 9	
1866, 191,091 " " " " " 2	

* As our production of barley is insufficient to meet our requirements, we continue to receive it from Canada, while a part goes to England. The importation of cattle from Canada during the past four months, has been reduced 75 per cent. when compared with that of corresponding months in 1865.

Here we have an excess of 40 per cent., or of 56,000 tons, outward bound with cargoes, and the increase is chiefly in the trade to London, Glasgow and the Maritime Provinces. Since the repeal of the treaty, lines of propellers have been started to run from Canada to Prince Edward's Island, and through the Gut of Canso to Halifax; others from the Grand Trunk to Halifax and St. John; and a new line is proposed to run from Hamilton or Toronto to Shediac and Pictou.

Deputations have been sent to Brazil and the West Indies, to report upon the nature and extent of our trade with those regions; and the Provinces, under the impulse given by the repeal, are making unwearied efforts to rival us in our foreign commerce.

These measures are the necessary result of exclusion from our ports, for many of our duties are nearly or quite prohibitory.

Thus potatoes, worth 25 cents in the Provinces, are charged with a duty of one hundred per cent.; coal, which costs but \$1 to \$1¹⁰/₁₀₀ to extract from the mine and place on shipboard, is charged with a duty of 125 per cent.; sulphate of barytes, costing but \$2 per ton, is charged with a duty of \$10, and oats with a duty of 25 to 35 per cent. With mackerel at a duty of \$2 per barrel, the English fishermen must withdraw from our markets. Such duties are ruinous to commerce. We may well presume that some of the efforts made by the Provinces to reverse the course of trade are spasmodic and will prove ineffectual. That it will not always be found wise to carry plaster and grindstones from the Provinces to the States and to return in ballast, while propellers bring breadstuffs from Canada and return in ballast also; but there can be no question that our tariff, which has superseded free trade, and the reprisals to which it has led, have done serious damage to our commerce.

In 1865, Nova Scotia exported 515,905 tons of coal, and of this 450,294 tons were sent to the United States, chiefly from mines opened and held by our people. Under the new duty, the price at the mines did not decline or declined but little, and the duty was chiefly paid by our own people, but the proprietors are disheartened and a serious check has been given to their progress. In 1865, 56,155 tons of plaster were shipped, of which 52,294 came to the United States. The cost of this must be materially increased to our farmers by the loss of return

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freight. Herring, to the amount of 138,343 barrels, were shipped also from Nova Scotia, of which 74,156 came to this country, valued at an average of \$3 per barrel—a most important article of food for the poorer classes. Now we exclude or diminish their use by a duty of 33 per cent. or \$1 per barrel. Nova Scotia sent us mackerel, also, to the extent of 126,740 barrels, and valued at an average of \$7, and these we exclude by a duty of \$2 or 29 per cent., and in consequence Nova Scotia calls for a heavier tax upon our fishermen. They ask for no such protection. While firewood, of which more than a quarter of a million cords came to this country from the Provinces, for railways, brickyards and other important uses, is subjected to a tax of 20 per cent. It may well be asked, does American firewood require such protection?

Having thus pictured the condition in which the repeal of the treaty has left our trade with the Provinces, the inquiry presents itself, what shall be done? The first question is, do the United States require the oppressive duties imposed—do they aid our treasury or do our productive farms require such protection?

Our nation is recovering from the war; its revenue is twice its expenditure and fast increasing; it has two million of veterans off duty, but ready for service; two million of rifles and fifteen thousand cannon of improved pattern; storehouses filled with clothing and munitions of war, and a navy of one hundred and fifteen steamships in commission, unsurpassed in the calibre of its guns, the strength of its steamships and the material and discipline of its men. Surely this great nation, thus provided, does not require onerous taxes on the herring, potatoes, laths, shingles and fuel of the poor, and if it did, it is not wise to make such duties prohibitory.

What the country does require, is a moderate duty on barley and animals; on valuable plank and boards; on coal; on dry fish and mackerel, to yield a moderate revenue, and to place her farmers, miners and fishermen, while taxed for the war, on an equal footing with their Provincial brothers. It requires an assimilation of duties, the removal of free ports, the suppression of smuggling, the discontinuance of fortresses and great naval stations on our routes of commerce, the repeal of statutes that subject our ships to a year's light-money for a single trip, and heavy charges for anchorage, and duties that dis-

criminate against our seaports and navigation. It would extend copyrights and patents, and co-operate in those great works of improvement, which will allow steamers of 1,000 tons to go from Lake Superior through Lake Champlain to New York, and down the St. Lawrence to the sea, and this, without doubt, can be effected by negotiation.

The most effective mode to remove all difficulties, would be the union of all parts of our continent in one harmonious whole. But this requires the sanction of England. Her rights are recognized; and if a marriage is to be consummated, she must not forbid the bans.

In time of peace, we can have no Sabine marriages; but were England to adopt that liberal policy taught her by the history of the past century; were she to carry out the measures she has often foreshadowed, and in which her most distinguished philosophers believe; were she to recognize the fact that her colonies have grown to man's estate; that their population—one-tenth of our own—will be four millions within a year—superior in numbers, commerce and shipping to our own when we threw off our allegiance; were she to come at once to the conclusion that they will be independent, that their great market is on this side of the sea, that they will not forever link their fortunes with those of any European power, or have their farms made the battle-fields on which the rights of Ireland or of the United States shall be settled; were she to consider that smaller bodies gravitate towards larger, that the principalities and dukedoms of Europe have within a few years been reduced one-third; were she to consider the small returns she draws from a large expenditure, would she not, with a wise forecast and a parent's care, herself take the initiative, and seek to obliterate the memories of three wars—the last just finished—and to win the love and gratitude of a continent by an act of magnanimity? England, in the sad history of the past, finds much to regret in the course she has here pursued,—in the useless sacrifice of lives, the waste of treasure which, with interest, would to-day exceed her national debt, to preserve what she might, with both honor and profit, have resigned. Before our late struggle, her exports to the Provinces were not one-twentieth of her whole exports, and, if we take population into account, were little more than proportionate to her exports to the States;

but here she pays for no officers of state, no garrisons, railways or navies. In 1861, the first year of revolt, she exported to the States but £9,064,504; in 1865, when union was restored, she sent us, under war duties, £21,235,790. She draws to-day more net income from the States than from the Provinces; but to-day she is lavishing her treasure on useless ships and fortresses, and maintains fifteen regiments in the Provinces, at a cost, if our own expenses be the criterion, of at least twenty millions of dollars. Nor is this all. She is proposing an outlay of twenty to forty millions more on a railway through a trackless wilderness,—with not a settler to the square mile,—which cannot pay, which is not wanted by commerce, which actually competes with nearly three hundred miles of the Grand Trunk, and lengthens the journey 30 to 40 miles from Halifax to Montreal, when compared with the line via Portland, that must soon be finished.

Suppose it should be urged that a monarchy or aristocracy, like that of England, would be preferable to a republic for the Colonies. Can England for a moment believe that our country can be reconciled to either upon the northern or southern frontier of our Republic, or that either could endure in such contiguity? Let it be urged that a union with the Provinces would add to our resources and commerce: would not both contribute to her own? and did not disunion deprive her of cotton and tobacco, as well as reduce her exports? Is not America designed for Americans? and are not Asia, Africa and Australia sufficient for Great Britain?

Were she to relinquish her precarious hold on the Provinces, and allow them to enlarge their Confederation in accordance with their true interests, she would atone for a multitude of errors.

ASPIRATIONS OF AMERICANS.

There can be no question that the great majority of Americans would rather see this continent occupied by one Republic, "*une et libre*," than to have it hemmed in by a French Empire at one end and a monarchy or viceroyalty of the British Empire at the other. They appreciate the strength and the weakness of both of them.* But how do France and England differ?—the

* See Appendix, pp. 126, 128.

one, after its futile "effort for the Latin race," gracefully withdraws and invites us to its great Exposition. It revives the traditions of its past friendship. It has sent no men-of-war to burn our ships or destroy our capitol. It has sent no Clyde-built steamers to carry arms to our foes or break down our revenue. Indeed, no continental nation has done it. It has refused no claims for redress.

How is it with England? She bids us be silent while she consolidates the Provinces into a military power, expends millions on military roads, plants, or proposes to plant, heavy cannon at Halifax and Victoria, or at Esquimault Harbor, adjacent to Victoria, establishes free ports to undermine our revenue, and sends out cruisers to watch our coasts and fisheries. While France retires, she sends out fifteen veteran regiments. Can she wonder that we, under such circumstances, seek alliances with France and Russia, and forget the home of our fathers? *

ASPIRATIONS OF THE PROVINCES.

The Provinces have long desired expansion. Their territory contracts as it runs easterly, and presents in a northern latitude a narrow front on the Atlantic. New England lies between Canada and the sea. A few years since, the "Halifax Morning Journal," an influential paper of Nova Scotia, presented a plan for annexation, from which we make the following extracts, viz.: "In the much wished-for event of a consolidation of the Colonies, the possession of Maine is of vast importance; more,

* The accession of the Provinces would bring to us a vigorous and industrious population of four millions, at least twenty thousand efficient seamen, a vast extent of productive land sufficient for at least twenty-four States, extensive forests and fisheries, and nearly a million and a quarter tons of shipping; a railway, canal and telegraph system proportionate to our own. It would dispense with custom-houses and fortresses on a long frontier, enlarge the markets for our productions, and the supply of raw material. It would give increased profits and extension to our railway system, and enable us to exercise a proper control on our lines of telegraph to Asia and Europe. What is still more important, it would insure for the future pacific relations with the British Empire.

Should it be urged that our domain will be too much extended, the reply is easy. Steam overcomes space and distance, and within five years the members of Congress from Oregon and California will reach the capital in less than half the time taken by the members from Boston and Savannah when our Constitution was adopted.

perhaps, than we have been wont to imagine. A glance at the map will show, that at present she destroys the symmetry of the proposed confederation. She stands like a wedge driven up to the butt in a foreign country, and it gives rise to the idea that but a few more blows are needed to effect a complete separation of Canada and New Brunswick. Nor is it symmetry alone which demands the annexation of Maine; there are other reasons of far greater importance why this should, if possible, be effected, and which we propose to set plainly forth in this article.

"In the event of the Gulf States forming a southern confederation, an event which every day renders more probable, an effort will be made to exclude the Northern States entirely from the carrying trade, and as the South can carry out a non-intercourse law, without loss to herself, but to the great detriment of the Northern States, it is not at all improbable that she will seek this way to repay some of the wrongs the North has inflicted. This, to Maine, would prove particularly disastrous. Like the remainder of the Northern States, Maine will have to suffer the inevitable depreciation of property consequent upon disunion, varying from 25 to 50 per cent. United to these colonies, her ships excluded from the ban and with the field for fresh enterprises thus opened to her, property would regain its wonted figure, or even rise above it. Nor do the people of Maine require to have these facts urged upon them—they are fully alive and awake to their own interests, which clearly tend towards a union with the colonies."

We were then in the condition of "the sick man and our estate was to be apportioned before our decease"—but Maine and California, at the two extremes, were alike true to the Union; neither had a taste for Colonial dependence. The Republic "still lives;" the South returns to its allegiance; half its young white men are gone and loyalists of every hue outnumber the survivors.

The Nova Scotia plan did not take—it was premature. It is cited here merely to show the aspirations of the Colonies, and as a precedent for this discussion, for it makes annexation a Provincial measure. We can afford to be more generous and give to the Provincial plan a shape more comprehensive, more statesmanlike, more consistent with the rights of all.

If England were to come forward to-day and say to her progeny on this side of the Atlantic: "Unite on equal terms, join hands. Go forward and reclaim the wilderness; open the vast interior of the continent, withheld from civilization by the iron hand of a colossal company; build ships, canals and railways; open avenues across the continent; create homes for the destitute; provide farms for my Irish children, that have left their turf cottages and narrow homesteads, and let me rejoice in your success and partake of a prosperity that will bring honor, as well as profit, to your ancient homes." Before such an adjuration all difficulties would vanish, and reciprocal relations might be at once established. After such an appeal, the United States might submit the following overtures:—To admit each Province into the Union, as a sovereign State, remitting all taxes made necessary by the war, except customs and duties on liquors, cotton, tobacco, banks, stamps and licenses. To assume their government property and debts and equalize the debts by a provision for future improvement. To guarantee a railway from Lake Superior to the mouth of Frazer's River, and ship canals from Lake Superior to the sea. To assume all liabilities for the Alabama and extinguish all claims of the Hudson Bay Company.

The remission of taxes may be easily made, for it is fair to presume that in two or three years' time, with interest and expenses falling to \$220,000,000 per annum, we shall find in those named ample means for the payment of interest and expenses, and the gradual extinction of our debt. While our country is precluded to-day from conceding the registry of ships and admission to the coasting trade, to the Provinces,* because it might build up on our borders a great maritime power, to be controlled by a foreign nation, with naval stations on our great routes of commerce; in case of a union the ship-yards, foundries, sea-ports and coal mines of the Provinces would minister to our wants and participate in our commerce and in that vast free trade which will pervade the continent within the pale of a moderate tariff.

But England may lose the golden opportunity to yield with grace, what she cannot long retain, or retain at all, without disproportionate expense.

* See Letter as to Coasting Trade, Appendix, page 132.

National pride may recoil from such concessions; private interests may predominate; lucrative contracts loom up in the distance, and the union, sure to come at last, may still appear in prospective only. Last year I ventured to suggest to the Treasury department in my report on Reciprocity, that if England were to adjust our Alabama claims by a cession of her claims to western America, it might be a precedent for Austria to resign Venetia, and thus reduce the armies and expenses of Europe; but England gave no such precedent; Austria made no such resignation, and armed Italy was obliged to look to the north for an ally. Austria could have retired with prestige and honor, could have reduced her national debt, but she suffered the sword to be drawn; the Austrian Empire was shaken to its centre; gold was wasted and Venetia ingloriously surrendered; and now the armies and expenditures of all Europe, inclusive of the British Isles, are on the increase, while America, with her fleets on every sea, sends a squadron up the Baltic. Great Britain intervenes between America and the Baltic. She has few friends in Europe. With her immense commerce afloat, is it not her policy to make a British alliance more popular than a Russian or a French one, this side of the water?

PETITION FROM BRITISH COLUMBIA.

While I still hold the pen and as if to endorse the views I have taken, a petition comes in from Victoria for the admission of British Columbia into the Union.

The people of this region, many of whom are from the States, contrast the slow progress of the British territory with that of California and Oregon. At Victoria, they were first checked by the restrictions of the Hudson Bay Company. Escaping from their restrictions, they were again depressed by the enormous cost of the government given them by England, at least \$200,000 annually for 6,000 people;—a government costing three times as much *per capita* as that of Great Britain itself. It lacked, too, a populous territory for the expansion of its commerce, and saw British Columbia depressed by exactions upon the shelter and transportation of its visitors, unknown in the gold districts of California.

I learn from most conclusive evidence, that seven-eighths of the people of British Columbia wish it to be annexed to the

United States. Two Provinces have been consolidated into one, without satisfying either, and the question now presents itself, will Great Britain permit its colonies, who are induced by their position, interests and wants, to unite their fortunes with ours, to gratify their wishes? Is Great Britain in earnest when she professes a willingness to give them the freedom of choice? Her sincerity is soon to be tested.

A ZOLLVEREIN.

If a perfect union cannot be effected, the plan of a Zollverein, presented by our Secretary of the Treasury, in his late able message, is a near approach to it, and offers to each country many advantages. It dispenses with custom-houses and frontier posts, diminishes the cost of collecting, much higher in Canada than in the United States, and promotes free trade between different nations within the pale of a single tariff. It is, however, a question whether Great Britain will consent to take her stand on a common footing with other European nations, and without her consent the plan must be postponed until the Provinces emerge from a state of dependence.

A Zollverein has been successful in Germany; why should it not be successful in America? Under its influence, and in part by its aid, the kingdoms, states, principalities and dukedoms of Germany have been reduced one-third, and are blending into one. Negotiations with Great Britain and the Provinces must precede a Zollverein.

NEGOTIATION.

Should we fail to secure a Zollverein by negotiation, there is reason to believe a commercial treaty will eventually prove the most simple and effective mode to revive our commerce, and a year's reflection and frequent conferences with our merchants and with the leading men of the Provinces, convince me that a treaty can be made free from the defects of the former.

The great objection to the former treaty was the excess of imports over exports from Canada, and the lack of revenue from these imports; but this did not apply to the Maritime Provinces, where our exports exceeded the imports, and part of the Canadian imports took this direction. The excess of imports is

by no means a conclusive proof that trade does not benefit the country importing; but the exclusion of its products from the country from which it imports is a check to its industry, and involves the loss of its return freights to its ships. The difficulty may be remedied by measures more beneficial to the country than the exclusion of imports, viz.: by such salutary provisions as shall increase our own exports and enlarge the markets for our industry, and thus balance the account without a call for bonds or specie, and such should be our object. At the present moment, many of our duties are nearly or quite prohibitory: such, for instance, as the duties on potatoes, mackerel, herring, oats; or ruinous to the trade, like those on wheat, flour and cattle. The returns are still imperfect, but intelligent merchants state that, with the exception of barley and of timber, on which the price has risen and we are paying the duty, we are losing at least half our importations from the Provinces, and a portion of our exports, in place of a progressive increase of fourfold in eleven years.

It is fortunate for the country that our tariff is flexible, and that we have the advantage of an able commission devoted to its revision; and if high duties are to continue, this flexibility is valuable to the state, as it will permit future concessions. But can we rise from the study of this subject without the conviction that the ultimate and most effective remedy for all difficulties will be a new negotiation, and, as a basis for this negotiation, I would suggest a new principle, an important departure from the old treaty, the adoption of several distinct schedules.

The first, schedule A, limiting the duty on certain productions imported by either country from the other. The second, schedule B, giving a liberal free list for the productions imported from the Provinces into the United States. The third, schedule C, giving an equivalent in a free list to the United States of productions exported to the Provinces.

Schedule A to be confined to a few staple articles, which may be taxed by either country to a limited extent, and thus made sources of revenue, and into this I would introduce the leading articles of coal, fish, boards, animals, potatoes, peas, beans and barley. I entertain no doubt that moderate duties on these few imports will yield nearly or quite as large a return as we shall

continue to draw from all our present duties on imports from the Provinces.

Schedule B would contain most of the productions of the sea, mine, field and forest exported by the Provinces, and omitted in schedule A.

Schedule C would contain productions exported from the United States, and most of those articles which we produce and usually supply to those who toil in our ships, fields, mines and forests, in exchange for their productions.

Schedule A would be based upon the idea that this country should impose such duties on a few leading imports in each department of industry, as should equalize the condition of the producer on each side of the border ; and

Schedule C upon the idea, that we should pay for our imports from Canada not in bonds or specie, which for the present we hope to accumulate at home, but by the products of our skill and industry in those channels which the Provinces have not opened.

True reciprocity consists in admitting into each country those articles which the other country produces, and not in admitting to both, by a single schedule, those articles only in which but one of the countries has a surplus for exportation. In this respect a new treaty may be an improvement on the old.

In this connection, I respectfully submit herewith to the Executive, three schedules which cover the chief products of each country ; which will not seriously impair our revenue, and which, I have reason to believe, may with few modifications be made acceptable to both countries and form the basis of an arrangement:—

Schedule A.

Duty.		Duty.	
Animals, viz.:—Horses and		Fish, viz.:—dry codfish and	
mules, each, . . .	\$10 00	hake, per 100 lbs., . . .	\$0 50
Cattle, each, . . .	5 00	Smoked salmon and halibut,	
Sheep, swine, and calves,		per 100 lbs., . . .	1 00
each, . . .	50	Salmon, per barrel, . . .	2 00
Barley, per bushel, . . .	16	Mackerel, “ . . .	1 00
Peas and beans, per bushel, . . .	16	Shad, “ . . .	1 00
Rye and buckwheat, “ . . .	10	Minerals, coal and shale, per	
Potatoes, per bushel, . . .	4	ton, . . .	50

Schedule A.—Continued.

	Duty.		Duty.
Manganese, barytes, antimony and slate,	\$1 00	All other minerals, except salt,	5 per ct.
Lumber, pine plank & boards, clear and 1st class, per M, .	2 00	Candles, per pound, .	10 "
Lumber, spruce and all other kinds of plank and boards, per M,	1 00	Bricks, "	10 "
Square timber, and joist of all kinds, per 100 cubic feet, .	1 00	Glue, "	10 "
		Glass-ware, "	10 "
		Leather, "	10 "
		Machinery, "	10 "
		Starch, "	10 "

I would also recommend that the following articles produced in either of the Provinces be admitted free:—

PROVINCIAL FREE LIST.

Schedule B.

Apples,	Hoops,	Pitch,
Alewives,	Hams,	Roots,
Butter,	Leather,	Rags,
Books,	Laths,	Rosin,
Berries,	Maple sugar and sirup,	Shrubs,
Barrels,	Marble,	Shingles,
Building stone,	Marl,	Shell Fish,
Buffalo Robes,	Manures,	Shooks,
Clay,	Meats,	Ship timber,
Casks,	Mill stones,	Staves,
Castor Oil,	Oil Cake,	Skins,
Clapboards,	Pelts,	Sleighs,
Eggs,	Poultry,	Tails,
Fresh Fish,	Phosphate of Lime,	Tips,
Flour,	Plaster,	Tar,
Firewood,	Pearlash,	Trees,
Grindstones,	Potash,	Tallow,
Headings,	Petroleum,	Turpentine,
Herrings,	Preserved Shell Fish,	Wheat,
Haddock,	Preserved Fruit,	Wool, for combing,
Hay,	Plants,	Vinegar.

And that the following productions of the United States be imported free into the Provinces as equivalents:—

Schedule C.

Apples,	Indian corn and meal,	Sorghum sirup & sugar,
Bacon,	Implements,	Spirits of Turpentine,
Brushes,	Ink,	Seeds,
Batting,	India-rubber goods,	Shooks,
Butter,	Leather,	Shingles,
Cars,	Laths,	Tar,
Carriages,	Lard,	Tallow,
Cotton yarn,	Music,	Tacks,
Clocks,	Musical instruments,	Types,
Cheese,	Maps,	Tin-ware,
Engravings,	Maple sugar and sirup,	Turpentine,
Engines,	Oats,	Wheat,
Furniture,	Pitch,	Vehicles,
Flour,	Petroleum,	Wool-ware,
Garden vegetables,	Pins,	Woollen yarn,
Glass-ware,	Pens,	Wool,
Hams,	Presses,	Wadding,
Harnesses,	Palm leaf goods,	Watches,
Horse shoes,	Rosin,	

OBJECTIONS TO A TREATY.

It was my province to recommend last year a new negotiation, and that recommendation was met by serious objections, the force of which I have not been able to discover. It has been urged that we should make no distinction between nations in our commerce, but we have no intercourse with any commercial nation in such close contiguity and upon so long a frontier, or with which we conduct such a commerce, as we have with the Provinces. It has been urged that a treaty was unconstitutional, because it superseded the power held by the House of Representatives, to originate Revenue bills. But a treaty ratified by the Senate is the supreme law, is paramount to the action of either branch of Congress. By the treaty-power we have acquired States, such as Florida and Louisiana, and ceded portions of others, the Madawasca Territory and

Vancouver's Island south of 49 degrees, and the portion that includes the mines of Victoria. Ever since 1794 we have made commercial treaties with England, Holland and other commercial countries, which restrict the power to levy duties. The treaty suggested is designed not to levy, but to restrict the levy, of duties, and, like the provision that money-bills shall originate in the House, is in favor of the people. It is too late to question the validity of such a treaty.

Again, it has been urged that a treaty may compel this country to admit dutiable articles free from other countries; but this is met by the separate schedules I suggest. I have placed in schedule B no articles whose admission from any country can seriously impair our revenue or production.

But it is urged that all that we require may be affected by reciprocal legislation; but this position is met by the signal failure of the efforts for such legislation, made last year in our House of Representatives.

The Committee submitted duties and concessions which they believed would tend to a favorable legislation in the Provinces; but when the question came up as to the duties on fish and lumber, Maine took the field. The duty on soft coal was raised by eloquent appeals from districts of Maryland and Pennsylvania, while Vermont desired duties on wool, animals and poultry.

It became apparent that the floor of the House was not the spot to frame a commercial treaty. The measures proposed still linger in the Senate, and, after they are consummated, will await the further action of the House, and the action and reaction of ten or twelve assemblies or legislative councils, where the legislation of to-day may be reversed to-morrow. But it may be urged that the treaty may restrain us from the levy of duties in case of war; but this may be met by allowing either party to terminate the treaty by a year's notice.

To perfect a commercial arrangement; to remove duties on anchorage and onerous charges for light money, which build up Provincial navigation at the cost of our own; to assimilate duties; to abolish free ports; to provide for patents and copyrights, requires negotiation, if it be but a prelude to reciprocal legislation, and successful negotiation, if not a treaty.

CONFEDERATION.

The necessary effect of the repeal of the Treaty, has been not only to break up the flourishing commerce between the States and the Provinces, but to throw the trade of the latter into new channels and to give an impulse to new enterprises, adverse to our commerce. This tends to alienation and estrangement, rather than union.

Measures, too, are now in progress to establish a confederation of the Provinces, which have received the sanction of Canada, Nova Scotia and New Brunswick. Newfoundland and Prince Edward's Island still hesitate, and there is a powerful party in Nova Scotia, with the eloquent Mr. Howe at their head, who oppose the measure; and the delegates of several Provinces, with their opponents arrayed against them, are now in London awaiting the action of Parliament.

A leading argument for the measure is the diversion of the supply of breadstuffs and provisions to the Maritime Provinces from the United States to Canada. Another, the formation of a state strong enough to confront the United States. Another, the construction of a military road for the transfer of troops from Halifax to the lakes and *vice versa*. If a new state or vicereignty is thus created without the full concurrence of all its parts, it may not be permanent, for its sections are not harmonious. The natural laws of trade are not easily reversed, and the United States cannot be expected to favor a measure tending to build up a monarchy on its borders.

THE ACTUAL CONDITION OF THE QUESTION OF THE FISHERIES.

In my report of last year, a copy of which may be found in the Appendix, I gave a brief sketch of the progress of our deep-sea fisheries for cod and mackerel which, in 1862, presented 3,815 vessels, 203,000 tons, 28,048 seamen, and gave an annual return estimated at \$14,000,000. Since 1862, under the pressure of war and taxes, there has been a very serious decline in vessels, tonnage and seamen. The returns from the Registry of our Treasury exhibit the following results:—

DATE.	Tons in the Cod Fishery.	In the Mackerel Fishery.	Aggregate.
1862,	122,863	80,596	203,459
1863,	117,200	51,019	168,300
1864,	103,742	55,494	159,236
1865,	30,725	16,532	47,257
1866,	42,796	46,589	89,385

The fisheries have great vitality, if not broken down by adverse legislation; but at the moment when they were at their lowest point of depression, while Great Britain was remitting nearly every duty to her fisheries on the very coast of her Provinces; when France was paying a bounty of \$2 per quintal on her fish sent to our ports, we have repealed bounties, under which our trade has grown up for half a century, and Canada seizes this opportune moment to grant to her fisheries the bounty we resign. M. Pierre Fortin, at page 51 of his report this year published, says: "We are to be set in motion only by the prospect of high bounties. To such an inducement we must have recourse if we desire that our Canadian fishermen should undertake such a venture. Four dollars per ton are already awarded to Canadian ships engaged in the Gulf fisheries. If, for a certain period, we were to double that bounty, I believe we should attain the desired end; that is to say, we should create a fleet of fine schooners, fitted out for the mackerel fishery."

"We should require for this fishery light, clipper-built vessels, made after a particular plan. We should need to purchase from the United States the best models of mackerel fishing schooners, after which our own builders would be able to construct vessels suitable for the purpose. We should, therefore, imitate the Americans in building our fishing vessels, as the artisans of some parts of Nova Scotia have already done. We Canadians ought to do likewise, and that, too, without losing a moment."

The fisheries are essential to our commerce, to our navy, to our maritime power; and while our neighbors and rivals are granting bounties and proposing to double them, and to copy our models, and while we have depleted the fisheries by drafts

for our navy and discouraged them by oppressive taxes and required them to pay half a dollar per ton for British licenses, we repeal the bounties and content ourselves with remitting a single tax on salt, to our hardy and adventurous seamen. Have we nothing to learn from the policy of rival nations?

It is to be hoped that there is some error in our last returns. The census of Massachusetts for 1865, which has been recently published, and gives the annual productions of the State as \$517,240,612, presents the following picture of the fisheries of the State. It is the more satisfactory as Massachusetts has annually fitted out less than half the tonnage engaged in the cod and mackerel fisheries:—

Census Return of Massachusetts for 1865.

	Tonnage.	Quintals of Cod.	Barrels of Mackerel.	Returns.
In Whale fishery, . . .	70,420	—	—	\$3,618,670
In Cod & Mackerel fishery,	117,146	384,165	283,000	4,832,218

These last results indicate a large return in the cod and mackerel fisheries of the nation.

If to the returns of Massachusetts we add those of the other States of New England, the returns from the cod and mackerel fisheries for 1865 must exceed \$12,000,000. In itself an important branch of commerce, still more important in its bearing on the maritime power of the State.

Just before the Treaty of Reciprocity, unprecedented claims were made, as to the fisheries, by some of the Colonies. Cape Breton was annexed to Nova Scotia, and counties laid out across the Straits of Canso, and our right to pass through was questioned, a right we have enjoyed for more than a century, and to which our title was as clear as it is to pass Gibraltar or Elsinour. Vessels were seized also for fishing in the great arms of the sea, known as the Bays of Fundy and Chaleur, although one side of the former bay borders for sixty miles or more on the coast of Maine, and our fishermen have resorted to the other for nearly a century.

Such claims, however, were set at rest by a decision of the late Joshua Bates, of the celebrated banking house of Baring Brothers & Co., of London, of which Lord Ashburton was formerly a distinguished member. A claim was made by American subjects on the British government, before the Hon. N. G. Upham and Edmund Hornby, the commissioners appointed under the convention of Great Britain with the United States, of February 8, 1853, for the adjustment of claims of citizens of the United States against the British government. The claim adjudicated was for the schooner *Washington*, seized by a British cruiser, and condemned as *Yarmouth*, Nova Scotia, for fishing in the Bay of Fundy. And in this case damages were demanded on the ground that the seizure was made more than three miles from the shore or coast, and in violation of the provisions of the treaty as to the fisheries of October 20, 1818, and of the law of nations. Judge Upham having given an elaborate opinion in favor of the claim, and Mr. Hornby dissenting, the case was submitted to Mr. Bates, the umpire under the treaty, who sustained Judge Upham, and decided that the Bay of Fundy was not a bay within the meaning of the word as used in the treaties of 1783 and 1818, that the terms of the treaty do not apply to bays more than ten miles wide at their outlet, and awarded damages.

This decision, after argument, fully sustains the views of the United States, and is final and conclusive.

I have appended to this Report copies of this judgment, which were transmitted to the Senate by the President, August 11th, 1856, as they put at rest pretensions alike unreasonable and unfounded.*

In connection with this, I have also appended the copy of a letter from Judge Jackson, our very useful and intelligent Consul at Halifax, which contains an extract from the laws of Great Britain, prohibiting us and any foreign nation to pursue the coasting trade between the ports of either Province. I deem this the more important, as the contrary has been asserted in public by a gentleman of high standing in the Provinces. The single question which now remains as to the fisheries in the Gulf of St. Lawrence and on the shores of the Provinces, relates

* See Appendix, page 89.

to the mackerel fishery on those waters, which is followed by one-fourth to one-third of our fishing fleet. And this question relates to crossing the line of three miles from the coast or shores, within which our vessels are forbidden to fish, by the treaty of October, 1818. It is rarely, if ever, that any American vessel visits those waters, with the intention of crossing this line to fish; but it occasionally happens that immense schools of mackerel, for which our vessels have waited for weeks, regardless of treaty lines and often when taking the hook, cross the lines in question, and our vessels, in the ardor of the chase, are liable to cross with them, or may lose their fares for the season if they desist from the pursuit. Nor is it easy to determine at such periods the precise distance from the land; and in my report last year,* I suggested that seizure and confiscation were punishments too severe for such transgressions, often unintentional, and were not warranted by the law of nations or by modern civilization, and could not be sustained.

To impose such forfeitures would be like forfeiting the horse and saddle for crossing a hedge in the chase. I took the ground also that such seizures would necessarily be followed by collisions, and would not be assented to by our government.

This report was transmitted to the British Ministry in February, 1866, and elicited a semi-official article in the "Morning Post," just before the treaty expired, taking strong ground against seizures and confiscations; extracts from which are also annexed for the information of government.†

Overtures were soon after made for the establishment of a license system, under which our fishermen pay half a dollar per ton for the privilege of crossing the three-mile line and fishing within it, at any season of the year. This system is preferable to seizures; but it involves a tribute, which our bold and enterprising fishermen pay with reluctance for rights won by the intrepidity of their ancestors.

They are averse to being boarded by British vessels, and may sometimes decline to take licenses, in the hope to make their fares without crossing the line. It was stated in the Provinces,

* See Appendix, page 57.

† See Appendix, page 85.

that the British cruisers were very vigilant the past season, and boarded 2,400 American fishing vessels.

As not more than 600 to 800 visited these waters, although M. Fortin rates the number higher, this would involve three or four visits to each vessel. Visits of this character led in former days to the war of 1812, and may lead hereafter to serious difficulties. The cost of licenses, although a trifle to the nation, is a considerable charge upon men who are competing under heavy taxes against French and Canadian fishermen, aided by large bounties and every encouragement. I would, therefore, respectfully advise the government to assume and capitalize if possible the payment for these licenses, as it once assumed and paid for the sound duties in the Baltic, and thus to relieve a most valuable and meritorious class of citizens.

I further recommend the remission of duties that tend to repress commercial enterprise.

COMMERCE OF THE COUNTRY.

It is my duty in closing this Report to draw the attention of government to the depressed state of our navigation. Many vessels, not provided with convoys or protected by our cruisers, were transferred to the neutral flag during the war; some have been sold, others still run under foreign registers on American account. The cost of ship-building has been enhanced by war duties and taxes on iron, timber, spikes, nails, sails, cordage and anchors to such an extent, that vessels of the same quality may be built in the Provinces for twenty-five per cent. less in gold than in our ship-yards. A few years since it was shown that the cost of a ton of iron, fabricated in this country, was increased \$15 per ton by internal taxes. It has been the wise policy of Congress to remove most of these charges, but there must be some adaptation of our custom-house charges to this change before the benefit reaches the shipwright, and before we can compete successfully with the ship-owners abroad.

While manufactures and internal commerce receive their due share of attention from our government, is there not danger that commercial enterprise abroad, checked by foreign cruisers during the war and attracted to other channels, may be overlooked or forgotten, to the great injury of the nation?

Commerce liberalizes the mind, breaks down obstacles, extends knowledge, promotes civilization, increases the wealth of nations and gives them maritime power.

I would respectfully recommend a remission of duties to the extent of eight dollars per ton on all sea-going vessels built in our ship-yards during the continuance of high duties.

I have appended to this document many valuable tables, for which I am indebted to the courtesy of the officials in all the Provinces this side of the Sierra Nevada, and have the honor to be,

Very respectfully,

E. H. DERBY.

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A P P E N D I X.

A PRELIMINARY REPORT
ON THE
TREATY OF RECIPROCITY
WITH
GREAT BRITAIN,
TO
REGULATE THE TRADE BETWEEN THE UNITED
STATES AND THE PROVINCES OF BRITISH
NORTH AMERICA.

PREPARED BY
E. H. D E R B Y,
AT THE REQUEST OF
THE SECRETARY OF THE TREASURY OF THE UNITED STATES.

WASHINGTON, D. C.:
TREASURY DEPARTMENT.
1866.

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REPORT.

To the Hon. HUGH M'CULLOCH, Secretary of the Treasury :

In conformity to your wishes I have devoted much time to the Reciprocity Treaty, and respectfully submit the results.

The subject is one which has important relations both to the foreign policy of the country and to the Fisheries, Commerce, Customs, and Internal Revenue, confided to your care, and the termination or renewal of the Treaty must affect the report of the Commissioners appointed under the recent Act of Congress, to revise the revenue system.

It is therefore important to determine if there is an exigency for a new treaty ; and if there is, what modifications are required to adapt it to the present state of our finances, and what changes are necessary to supply any defects disclosed by the light of our experience for the ten years of its continuance. A Treaty under which our commerce with the Provinces has increased threefold, or from \$17,000,000 in 1852, to \$68,000,000 in 1864, is not to be abandoned, or the amity which now exists between contiguous nations of the same origin to be endangered, without careful investigation and conclusive reasons.

For half a century, from 1776 down to 1830, it was the policy of the mother country to restrain the United States from a free commerce with the Provinces, although often urged by us to free the Provincial trade from its restraints. At times the trade with the Provinces was entirely interdicted ; at others, gypsum and grindstones could be obtained upon the frontier at Eastport and Lubec only by an evasion of the law.

In 1830 under the McLean arrangement, trade was resumed under heavy duties and restraints. Down to this period we knew Quebec as the chief fortress, and Halifax as the chief naval station of the British Empire upon our side of the ocean,

rather than as marts of commerce, and there was little fellowship between us and the Provincials, many of whom were descended from the Loyalists who followed the British troops from our shores.

Asperity of feeling gradually wore away after the resumption of trade. And in 1844, Great Britain, having acquired an ascendancy in the arts and in capital, and set in motion her steam-power, which Mr. Howe, of Nova Scotia, in his recent speech at Detroit, considers equal to the force of 800,000,000 of men, became an advocate of free trade, so far as it applies to the importation of materials and the exportation of manufactures. Having reached a high point in the cultivation of her soil, she desired to increase her supplies of breadstuffs and thus cheapen skill and labor, and aimed to furnish all nations with her numerous manufactures fashioned from their rude materials by the force she had warmed into life, which toiled for her without fee or reward.

To accomplish this object, she was obliged to repeal many protective duties, and to admit wheat and provisions and varied productions of foreign lands in competition with those from her Colonies.

Her Colonies were exasperated and it soon appeared that she could not retain their allegiance, without providing for them new markets and giving a new stimulus to their navigation and fisheries. She became solicitous also to carry her principle of free trade into the United States, and make a treaty with the Colonies an entering wedge for new commercial undertakings.

Canada had thus far relied upon her vast rafts of timber floated down the St. Lawrence to Quebec, and her ships built for sale at Liverpool and Glasgow for exports, and she saw with dismay the pine and fir of Norway supersede her timber, and the iron steam-ship displace the ships and steamers she was building at Quebec.

She began to seek a new avenue to the sea, through New York and New England, and new markets in our growing cities and villages for the products of her agriculture.

Nova Scotia, with forests and fisheries at her gates, and beds of coal and gypsum bordering on the sea, desired free access to our great seaports to dispose of her fish and coal, and give employment to her seamen.

The British Isles and the Colonies continued to press for Reciprocity. They found the United States engaged in the development of their agriculture and manufactures, with progressive navigation, and not prepared for so important a change; but the Provinces were urgent; they were able to show the patronage they would give to railways and manufactures. Articles were written for magazines and active agents retained, but the lever with which they moved the United States was a combination against her fisheries—the cod, herring and mackerel fisheries of the United States.*

The English who first came to our shores embarked in the fisheries, and our Pilgrim fathers, within three years after they landed, established fishing stations at Cape Ann. More than twenty sail of fishing vessels were annually on our coasts, 240 years since, and before the Revolution the men of Massachusetts are reported by Furke as extending their voyages to the Arctic and Antarctic Seas.

They followed the cod, herring and mackerel to the coasts of Cape Breton, Nova Scotia and Newfoundland.

The fishing towns were surrounded by flakes on which they dried their spoil, and in winter they transported it on their small craft to Spain, the Carolinas and the West Indies. The hardy fishermen, with the son of a fisherman, Sir W. Pepperell, at their head, conducted the siege of Louisburg, where they captured a fortress which had cost five millions of dollars and was defended by 200 cannon.

In the Revolution they manned the navy of the Union and contributed to the success of our country by raising the rate of insurance on British vessels to 50 per cent.,† and as Curwen states in his memoir, in two years captured 733 ships and property worth \$25,000,000.

They fought both by sea and land, and General Knox, the chief of our artillery in 1777, does them justice. "I wish," he said, in his address, to the legislature of which he was a member, "that you could have heard Washington on that stormy night, when the floating masses of ice in the Delaware threatened to defeat his enterprise, demand who will lead us on, and

* The history of these Fisheries is well given by Hon. L. Sabine in his able report to which I am indebted for valuable facts and suggestions.

† It was again raised to the same rate in the war of 1812.

seen the men of Marblehead, and Marblehead alone, stand forward to lead the army along the perilous path, to unfading glories and honors in the achievements of Trenton. There went the fishermen of Marblehead, alike at home on land or water, alike ardent, patriotic and unflinching, wherever they unfurled the flag of their country."

In 1772 the voters of Marblehead were 1,203. In 1780 but 544 voters remained. The residue were represented by 458 widows and 966 orphans. The orphans of Marblehead subsequently manned the Constitution and other frigates in the war of 1812. At the conferences at Paris, which preceded the peace of 1783, John Adams insisted on our right to the fisheries, although Congress was willing to resign them.

"If use and possession give right," he said to the Commissioners, "we have it as clearly as you. If war, blood and treasure give a right, ours is as good as yours." "We," continued he, in the same eloquent strain, "have constantly been fighting in Canada, Cape Breton and Nova Scotia, for the defence of this fishery, and have expended beyond all proportion more than you. If, then, the right cannot be denied, why should it not be acknowledged and put out of dispute. Why should we leave room for illiterate fishermen to wrangle and chicanery." John Adams made the right an ultimatum, and it was recognized to its full extent in the treaty of 1783; we were entitled by it to fish wherever the people of the country had fished before.

With the close of the war our fisheries revived, and in 1804 the export of dry fish rose to 567,800 quintals; their value to \$2,400,000. The export of other fish to 89,482 barrels. Their value to \$640,000.

Our rights in the fisheries were not abrogated by the war of 1812. They were not resigned, but revived with the treaty in 1814.

The Commissioners who negotiated this treaty state that their instructions forbade them to suffer our right to the fisheries to be brought in question. They observe,—

"We contended that the whole treaty of 1783 must be considered one entire permanent compact, not liable, like ordinary treaties, to be abrogated by a subsequent war, by the parties to it, as an instrument recognizing the rights and liberties enjoyed by the people of the United

States as an independent nation, and containing the terms and conditions on which the two parties to one empire had mutually agreed henceforth to constitute two distinct and separate nations, the people of the United States reserving the right of fishing and drying and curing fish previously enjoyed, and this reservation was agreed to by the other contracting party. This was not forfeited by the war, and no new recognition was required. We stated this principle to the British plenipotentiaries, in the note we sent them, with our project of the treaty, and no reply to the note of our Commissioners was made, and the treaty was silent as to the fisheries."

While this treaty of peace was pending the venerable John Adams wrote to President Monroe:—

"I would continue this war forever rather than surrender one acre of our territory, one iota of our fisheries, as established by the 3d article of the treaty of 1783."

On the 20th of October, 1818, a convention was entered into with Great Britain by Messrs. Gallatin and Rush, to obtain a recognition of the right of fishing on the coasts of Newfoundland, which they secured, with the privilege of entering the bays, creeks and harbors of the Provinces, for shelter and repairs.

The Commissioners, by this convention, renounced, for the United States, the right to take or cure fish within three miles of "the coasts, bays, harbors and creeks of the Provinces," (except Newfoundland and Labrador and the Magdalen Isles,) but reserved the right to enter them for shelter and repairs.

Upon the day on which they signed the convention, they wrote to J. Q. Adams, our Secretary of State, that this clause was introduced and insisted on by them, to prevent any implication that the fisheries were secured to us by a new grant, and to show that our renunciation extended only three miles from the coast.

For twenty-three years after the convention, down to 1841, but one construction was given to this convention by both parties and the fishermen, viz.: that by "bays" were meant the small bays to which the fishermen resorted for shelter and repairs; but in 1841, after this conclusive acquiescence, the colonists gave a new construction to "bays," and insisted that the convention precluded the fishermen of the United States

from entering the Bay of Fundy, a gulf sixty miles wide, the great Bay of Chaleurs, and the Strait of Canso, through which our fishermen had pursued their voyages for more than a century, and through which a British Admiral, in 1839, saw a fleet of 600 sail of our fishermen pass without molestation.

When Great Britain and the Provinces became solicitous, in 1845, for such a treaty as they had previously declined, and after we had permitted them to import fish at a moderate duty, and to enter it in bond for exportation, they seized with avidity this new construction. The Province of Nova Scotia passed Acts confiscating our vessels if they passed the line drawn three miles from the coast, and exonerating the officers from damages for detention, if the judge should find any probable cause for seizure.

Cape Breton was annexed to Nova Scotia, and after the union the legislature laid out counties across the Strait of Canso, to bridle a great avenue of commerce.

Ships of war were sent out year by year to watch our vessels, and in 1852 Great Britain, Canada, Nova Scotia and New Brunswick fitted out and sent to the fishing grounds no less than eighteen armed vessels to watch and arrest our fishermen, whose trade was thus injured to the extent of millions.

The aid of Messrs. Stevenson, Everett and Lawrence, at London, was invoked, but the Nova Scotians, including some eminent men, now in favor of the treaty, insisted upon their new construction, and the crown lawyers were led to give an opinion in their favor.

This opinion, it appears to me, is entirely untenable. It was not given with much care or deliberation as the counsel base their opinion upon the term "headlands," which they cite as found in the convention, where the word does not occur.

As it had no existence there, the decisions based on it should be revised. The Great Bay of Fundy also has but one headland on British territory, and borders for many miles on the coast of Maine. The term bays is by the language of the Act limited to bays of shelter and suitable for repairs and to take wood and water by the words that follow, and the Great Bays or Gulfs of Fundy and Chaleurs and other bays exceeding six miles in width at their outlets are unsuitable for the purpose, and consequently excluded.

An acquiescence for twenty-three years and contemporaneous exposition by those who drew the treaty are also conclusive, and the ministers of Great Britain were driven by Mr. Everett to abandon their pretensions to the Bay of Fundy, and if not deterred by Nova Scotia, would have restricted the law to bays less than six miles wide at their outlet, having once come to that determination.* But the Provinces were not easily quieted; a collision was imminent, and our Government yielding to the pressure became parties to a treaty, and its abrogation will revive the questions of 1845 to 1852 as to our rights in the fisheries. During the interval between 1845 and 1852 complaints were made by the colonists of the aggressions of our fishermen, of nets displaced on the coasts and in the Strait of Canso, and of daily trespasses, but since they obtained access to our home markets on terms of perfect equality, and since they recognized the right of our fishermen to frequent all their shores, the cessation of complaints furnishes a strong presumption that the fishermen were harmless and innocuous before the adoption of the treaty.

RECIPROCITY TREATY.

This treaty made by Lord Elgin and W. L. Marey, July 5th, 1854, to take effect when ratified by Great Britain, the United States and the Provinces, provides,—

Articles 1st and 2d, That the fishermen of the United States shall, during the continuance of the treaty, have the right to take fish, of all kinds except shellfish, in common with British subjects, at any distance from the shore on the coasts and on the bays, harbors and creeks of Canada, New Brunswick, Nova

* Our rights to the great Bays of Fundy and Chaleurs are recognized by the Umpire under the treaty of 1854 in determining the validity of a seizure made prior to the treaty and as early as 1843. His decision was that the Bay of Fundy was not a British bay, nor a bay within the meaning of the words bays in the treaties of 1783 and 1818.

The decision, is cited by Wheaton, page 326, and is mentioned by Hautefeuille on Rights of Neutral Nations, Vol. 1, page 89, cited by Wheaton. Our right to fish in the Gulf of St. Lawrence and in all other places in the sea where the inhabitants of both countries (the United States and Great Britain) used at any time heretofore to fish was conceded by the British Government through Lord Bathurst in 1815. American State Papers, Vol. 4, page 352. Our right to navigate the Strait of Canso is asserted by Wheaton, page 328.

Scotia and Prince Edward Island, with liberty to land and cure fish on all those shores, and on the Magdalen Islands without interfering with private rights and property of British subjects. These rights do not extend to the river fisheries.

Similar rights are granted to British fishermen on our shores and coasts north of latitude 36. The Act provides also for appointment of a commissioner by each party to determine what rights are reserved to individuals and to settle all differences.

Article 3d provides that the articles enumerated in the schedule below, the growth and produce of said colonies or of the United States, shall be admitted into each country respectively, free of duty.

Schedule.—Grain, flour and breadstuffs; animals of all kinds; ashes; fresh, smoked and salted meats; timber and lumber of all kinds, round, hewed and sawed and unmanufactured; cotton, wool, seeds and vegetables; undried fruits, dried fruit; fish of all kinds; products of fish and all the creatures living in the water; poultry; eggs; hides, furs, skins or tails undressed; stone or marble in its crude or unwrought state; slate; butter, cheese, tallow; ores of metals of all kinds; coal; unmanufactured tobacco; pitch, tar, turpentine; firewood; plants, shrubs, trees; pelts; wool; fish oil; rice and broom-corn; barks, gypsum, ground and unground; wrought or unwrought burr and grindstones; dyestuffs; flax, hemp and tow unmanufactured; rags.

Article 4th secures to the citizens of the United States the right to the free navigation of the St. Lawrence and British canals with vessels and boats, and to British subjects the right to navigate Lake Michigan, and the United States agree to urge their State governments to allow British subjects to use their canals; ordinary tolls to be paid in both cases. The British Government reserves a right to suspend navigation, but in such case the Government of the United States may suspend the third article. This article also provides that no export duty shall be put on timber of citizens of the United States, descending the river St. John and its tributaries destined for the United States.

Articles 5th, 6th and 7th provide for the extension of the provisions to Newfoundland, if laws shall be passed by contracting parties and Newfoundland to that effect.

The first article of this treaty is important in its bearing on the fisheries; notwithstanding the alleged trespasses of our fishermen when restricted to the distance of three miles from the coasts, bays and harbors, and their repeated seizure, they are by this treaty allowed to frequent and approach, without regard to distance, all the shores of four Provinces, and to land and cure their fish there with the consent of the private owners, and are thus restored to the rights claimed under the treaty of 1783.

Although our commissioners in 1818 had relinquished the right to come within a marine league of all the shores but those of Labrador and Newfoundland, except for repairs and shelter, our rights deemed inadmissible were thus conceded.

In exchange for this a similar right to approach our shores was also granted, which, although rarely used, may at times be valuable as the shoals of mackerel usually strike our coasts early in the season and before they reach the Provinces. And at times the mackerel are pursued both in the spring and autumn on our coasts and more successfully taken than on those of the Provinces.

NAVIGATION OF THE ST. LAWRENCE.

Less than two thousand tons of our shipping on the average have thus far annually passed down the St. Lawrence from the lakes to the ocean.

It is a valuable outlet for our cereals, but its importance must depend in a great measure upon the enlargement of the canals and increase of their depth to twelve to fifteen feet to suit a class of vessels adapted to the navigation of the ocean.

The most important article of the treaty is the third, which defines the free list, and its chief importance to us lies in its free admission of all the products of Colonial fisheries, agriculture, forests and mines into our country.

To illustrate the value and effects of this provision, I submit a tabular statement of the imports from the above Provinces into the United States, and the exports to them from the United States for a series of years preceding and following the adoption of the treaty, which did not take full effect until 1855 from delay of its ratification.

Exports and Imports from United States to British North American Provinces, exclusive of those on the Pacific, from July, 1851, to July, 1862.

[From Official Reports of the United States.]

DATE.	EXPORTS FROM UNITED STATES.			IMPORTS INTO UNITED STATES.
	Foreign.	Domestic.	Total Exports.	
1852,	\$3,853,919 00	\$6,655,097 00	\$10,509,016 00	\$6,110,290 00
1853,	5,736,555 00	7,404,087 00	13,140,642 00	7,550,718 00
1854,	9,362,716 00	15,204,144 00	24,566,860 00	8,929,569 00
1855,	11,999,378 00	15,306,342 00	27,806,020 00	15,136,734 00
1856,	6,314,652 00	22,714,697 00	29,029,340 00	21,310,421 00
1857,	4,326,369 00	19,936,113 00	24,262,482 00	22,129,296 00
1858,	4,012,768 00	19,638,959 00	23,651,727 00	15,806,519 00
1859,	6,622,473 00	17,029,254 00	28,154,174 00	19,727,551 00
1860,	4,038,899 00	18,667,429 00	22,706,328 00	23,851,381 00
1861,	3,861,098 00	18,883,715 00	22,079,115 00	23,062,933 00
1862,	2,427,103 00	18,652,012 00	21,079,115 00	19,299,995 00

In our commerce with the Provinces our annual exports and imports rose from \$2,100,000 in 1828 to \$3,800,000 in 1832; \$8,100,000 in 1840; \$9,300,000 in 1846; \$18,700,000 in 1851; \$50,300,000 in 1856; and fell to \$40,400,000 in 1862.

Since 1862 there has been a recovery; the aggregate of imports and exports in the commerce with the Provinces, having risen in 1865 to \$68,000,000, under large importations from Canada.

From the tables you will notice that the trade was in its infancy down to 1829, just before the time when Mr. McLean made an arrangement for free ports and the removal of some of the restraints on commerce, and that the growth was rapid, more than 20 per cent. per annum, in the four years from 1828 to 1832. That the advance was still rapid or 14 per cent. per annum down to 1840. That the movement then continued slow down to 1846, when goods came in more freely and fish and flour were admitted under bond for exportation.

During this period the growth was less than 2½ per cent a year. But with new privileges and the prospect of Reciprocity the

trade gained for the next five years 20 per cent. annually, and rose in five years more at the rate of 27 per cent. per annum, to \$50,300,000 in 1856, and, strange as it may appear, declined 25 per cent. or more than 4 per cent. per annum down to 1862, the eighth year of Reciprocity, when it receded to \$40,300,000, showing a loss of \$10,000,000.

This decline was confined to the Canadian commerce. It becomes an important inquiry what measures caused this great decline, and upon further investigation we discover that the decline was in our exports to Canada which fell from 1856, when they were \$20,883,241, to 1862 when such exports were but \$12,842,506. The reduction was in round numbers, a reduction of eight millions in exports, accompanied by a reduction of two millions in importations. It is my duty also to draw your attention to another fact shown by these exhibits, and still more forcibly by the returns of Canadian trade, that prior to the Reciprocity Treaty, which took effect, as we have suggested, in 1855, our exports to the Provinces usually exceeded our imports, but in 1860 this was reversed, and since that period imports have exceeded our exports in commerce with the Provinces.

Our trade with Canada may be illustrated by a brief tabular statement of exports and imports.

Exports from the United States to Canada, and Imports from Canada.

[Taken from the Official Tables of the United States.]

	DATE.	Exports to Canada.	Imports from Canada.
Before Treaty, . .	1850, . .	\$5,390,821 00	\$1,285,470 00
	1851, . .	7,929,140 00	4,956,471 00
	1853, . .	7,829,090 00	5,278,116 00
Since Treaty, . .	1856, . .	20,883,241 00	17,488,197 00
	1857, . .	16,574,895 00	18,291,834 00
	1861, . .	14,361,858 00	18,645,457 00
	1862, . .	12,842,504 00	15,253,152 00
	1863, . .	19,898,718 00	18,816,999 00
	1864, . .	16,658,429 00	30,974,118 00
	1865, . .	18,306,407 00	30,547,267 00

Of the above exports there were of 1861, specie, \$863,308 ; 1862, \$2,530,297 ; 1863, \$4,652,679 ; 1864, \$2,300,000.

The excess of imports into the United States over exports to Canada since 1860, deduced from the above tables and from the Report of the Minister of Finance in August last, has been more than \$30,000,000. The Canadian tables differ somewhat from our official tables.

In considering the remarkable change which has taken place in the course of our trade with Canada, I shall endeavor to guard against the danger of attaching any undue importance to the ancient theory of the balance of trade.

It may safely be conceded that the excess of imports over exports is not in all cases conclusive proof that commerce is unprofitable. The commerce of Great Britain for a series of years, has shown a large excess of imports over exports, accompanied by an excess of arrivals over shipments of specie and great progress in national wealth.

Her exports and imports have been as follows :—

DATE.	Exports.	Imports.
1853,	£139,782,000	£165,583,000
1859,	155,692,000	179,182,000
1860,	164,521,000	210,530,000
1861,	159,632,000	217,485,000
1862,	167,189,000	226,592,000

The excess of imports may spring from the use of capital abroad, from freights and profits, in which case the excess of imports indicates addition to wealth, and not accumulating debt.

A change in the balance of trade might not alone warrant the abrogation of a treaty, but it does warrant investigation. We may concede, safely, that a treaty of reciprocity, which adjusts the quarrels of nations and does equal justice to each, is most desirable for the country, and at the same time point out omissions and objectionable features in a treaty we have abrogated, with a view to one more perfect and comprehensive.

There were, and are, various objections to the treaty about to expire.

First. While it quieted strife and restored the rights secured by the treaty of '83 to our fisheries, from which spring the seamen to man our navy, the mates, masters, and intrepid merchants who have guided our keels to the very confines of the earth—it gave to the maritime provinces our home market, and the incentive to improve the fisheries at their doors, for the pursuit of which, they have advantages which were counterbalanced by our intelligence and home markets alone.

We should make the fisheries accessory to our own progress, not to that of Great Britain. If the maritime provinces would join us spontaneously to-day—sterile as they may be in soil, under a sky of steel—still, with their hardy population, their harbors, fisheries, and seamen, they would greatly improve and strengthen our position and aid us in our struggle for equality upon the ocean.

If we would succeed upon the deep, we must either maintain our fisheries, or absorb the provinces. In 1863, the tonnage of Great Britain and her colonies was 6,041,358; ours 4,986,397. The disparity is now greater.

For our great home market for her cod and mackerel, her whale oil, whalebone and seal oil, and the impulse it gives to the provincial fisheries and navigation of Great Britain, have we thus far sufficient equivalents?

Another feature in the treaty, is, the impulse it gives to the coal mines of Nova Scotia and Cape Breton. The shipment of coal from these provinces to the United States, has increased from 220,000 tons in 1863, to at least 400,000 tons in 1865.

This is doubtless very acceptable to our commercial cities on the coast; but it comes free from duty to compete with the black diamonds from our mines, which contribute to the expenses of the war—virtually it comes with a bounty against our own productions. The revenue thus suffers, and the foreign miner realizes the profits. If a new treaty be made, some equivalent should be given for this, or a moderate tax may be imposed for the benefit of the treasury. We are not, however, to forget that we already export from 105,000 to 171,000 tons of coal to Canada, a part of which ascends the Hudson and reaches Montreal, while a part crosses Erie and Ontario, into Canada West.

Again, we permitted the Provinces, at the moment Great Britain was importing the pine of Norway, and they were losing the market for a third or half of their timber, to send it here and enter the home market, on equal terms with our own lumbermen. The lumber, as well as the products of the fisheries, flow from the Provinces to the markets of the Union, and there is little or no reciprocity on these articles. The Provinces require little of our fish or our lumber. If we make undue concessions, Howe, the organ of Nova Scotia, at our Detroit convention, may well compare us and the provinces "to the Triune Trefoil," which hangs from the stem of Great Britain.

If lumber were not free to-day, a duty of five per cent. on our own lumber, and of ten per cent. on that of the Provinces, would doubtless place five millions in our national coffers; but the insertion of lumber on our free list, deprives us of this revenue, while it enhances the value of Canadian forests.

It is doubtless true, that freedom from duties enables Canada to send through New York and Maine, wheat and flour for foreign shipment, and enables the West to send to Montreal a portion of its surplus, to reach an outlet for Europe, at Montreal. This interchange is doubtless beneficial to all parties, but this transit trade gives but little stimulus to production. The commerce which terminates in consumption in Canada, consists of the shipment to her of a moderate amount of corn and red wheat, with some coal and salt, and a less amount of our coarser products, provisions and imported goods.

While Canada sends to us for consumption her animals and products of the forest and of agriculture, she buys but little of any more of our manufactures than she did before the treaty,—although in the last twelve years, she has added two-fifths to her population, and nearly doubled her productions and consumption,—there are important deficiencies in the free list, to which it is my duty to call your attention, which should be borne in mind upon revision of the treaty.

SALT.

The treaty is silent upon the subject of salt. This is an important production, both of New York and Michigan.

It is produced near the lakes, and may be easily transported to the section of Canada bordering upon the lakes, and is as

appropriate for the free list as slate, marble, gypsum or ashes. It is a production of the soil, and essential to our animal life. It is singular that it was omitted.*

MAPLE AND SORGHUM SIRUP.

These also are products of the forest and agriculture, and come within the spirit of the treaty, and should be included. Sorghum does not flourish in Canada, but is extensively cultivated at the West.

TOOLS AND IMPLEMENTS.

The treaty includes in its schedule, the millstone and the grindstone, both implements, the one to sharpen the axe, the other to manufacture wheat into flour. These are produced in the provinces, but the treaty is silent with respect to other tools; the axe, the plough, the shovel, and the reaper, which are fashioned by the artisans of New England and the West. The laws of Canada and some of the other provinces, are so deficient in reciprocity, that no patent can be taken there by a citizen of the Union. The Canadian minister of finance, concedes, that tools, implements and machinery, and books, should be included.

He concedes patents also. If a new treaty be made let it also provide for a patent law, and for copy-rights, to do justice to inventors and authors, and let it also contain a provision that all tools, implements, and machinery, be added to the free list. It would be desirable also to include in this list our manufactures of leather, tin, copper, castings, pins, buttons, types, utensils, carriages, furniture and other articles. I would also suggest that while it is desirable for both parties to except from the schedule the articles of spirit, tobacco, sugar, molasses, and costly fabrics of silk, flax and wool, as important sources of revenue; and while it is desirable to withdraw coal, lumber, and barley, and the products of the fisheries, from the free list, it may be politic to provide that these last products of each country and all others, not specifically excepted, shall be subject to duties, not exceeding fifteen per cent., or to duties as low as those of Canada before the Reciprocity Treaty.

* Canada now admits salt without duty, although omitted in the free list.

There are gentlemen of intelligence, and possibly some statesmen, who think it will be politic to allow the treaty to expire without any efforts or arrangement for a renewal; who predict that in such case the Provinces will range themselves under our banner, and seek admission into the Union. This accession would doubtless be beneficial; it would bring to the Union a white population which will in 1868, possibly before the measure could be consummated, reach four millions.

It would bring to us two thousand miles of railways, and vast forests and mines, and fisheries and mariners, and nearly two-thirds of a million tons of shipping; but will this accession be secured by the loss of the treaty? Is there not danger that the termination of the treaty will result in mercantile losses, strife and alienation?*

Peace and a prosperous commerce create friendship, and tend to alliance; and will it not be wise to make a fair treaty, one of equivalents; to impose moderate duties for revenue on *fish, coal, lumber*, the chief subjects of the treaty, after agriculture; to place salt, tools, and machinery, and implements of agriculture, with other items, in the free list; to secure patents and copy-rights; to remove all discriminations; and let the Provincials look forward to a union which will eventually remove these duties, increase their wealth and contribute to their improvements? Is the present moment, when we are mastering a debt of twenty-eight hundred millions by severe taxation, an auspicious one for bringing in new States to share our burden? When we have reduced our debt and our taxes, and shown that they rest lightly on our shoulders, and England has paid for our losses by her cruisers, will not the moment be more auspicious for the enlargement of our territories?†

We have traced the successive stages of the growth of the commerce with the Provinces, doubling in seven years after the completion of the Erie Canal, and rising to more than

* See remarks of distinguished Provincials in the Appendix, page 82.

† The debt of Canada in proportion to its assessed wealth is nearly two-thirds the size of our own. The interest upon our debt can be met by moderate duties on liquors, cotton, tobacco and coffee, without bearing heavily on the Provinces should they hereafter join us "spontaneously," as suggested by the "London Times." In 1868 our population will reach 40 millions. We have lost but half a million by the war.

fifty millions in 1856, the second year of the Treaty of Reciprocity.

During the ten years from 1851 to 1861, which comprise four years prior to the treaty and six that followed, all the Provinces made rapid progress, but Canada was pre-eminent.

From 1851 to 1861 the population of Canada increased more rapidly than the population of the Union. It had gained 36 per cent. In 1869 the population of all the Provinces was as follows:—

Canada,	2,501,888
New Brunswick,	233,777
Nova Scotia,	230,699
Newfoundland,	124,608
Prince Edwards Island,	80,648
Aggregate,	3,271,570

The rate of increase in all the Provinces was nearly equal to that of the Union.

Canada led in commerce and revenue as well as in population. In the fifteen years from 1851 to 1865, the whole exports and imports of Canada rose from \$35,000,000 to \$87,000,000. Her revenue rose also from \$3,500,000 to \$10,500,000. Between 1851 and 1861 her improved land increased from 7,307,950 acres to 10,855,854, or 49 per cent.; the value of the same from \$263,516,000 to \$466,675,780. The wheat crop, which exceeds that of Illinois and of each of our States, rose from 15,756,493 bushels to 27,274,779, or 78 per cent. The oat crop, larger than that of New York, the leading State of our Union, rose from 20,369,247 bushels to 38,772,170, or 91 per cent. During the same period the value of her lumber rose from an average of \$7 to \$10 per M.

And in the interval between 1851 and 1863 her export of lumber rose from \$5,085,628, of which but 23 per cent. reached the United States, to a total of \$12,264,178, of which a third—nearly as much as the former importation of Great Britain—came to the United States. For a series of years prior to 1846, the imports of Canada from the United States greatly exceeded

the exports, and great disparity continued down to the Reciprocity Treaty; but since 1860 the balance of trade has been reversed.

The statement of the minister of finance to the Canadian Parliament on the 29th of August last shows the present condition of Canadian commerce.

He gives us for the year a revenue of \$10,528,000, collected at a cost of 13 per cent.

Imports for the year ending June 30, 1865,	
exclusive of specie,	\$39,851,991 00
Specie imports,	4,768,478 00
Exports of the year, exclusive of specie,	40,792,966 00
Specie exports,	1,688,191 00

The results present a balance for the year of nearly one million of exports over imports, independent of specie; and a balance of gold close upon three millions.

And, since this report was made, it is currently reported that the sales of white and red wheat, horses and other stock by Canadians for the past quarter to this country will reach eight millions. The minister in his speech estimates an addition of six per cent. to the revenue for the coming year, and gives us the following items of income:—

Customs,	\$6,166,000 00
Excise on spirit, beer and tobacco,	1,650,000 00
Post-office,	470,000 00
Public lands,	450,000 00
Ocean postage,	70,000 00
Territorial income,	650,000 00
Sundries,	1,650,000 00

In illustrating the trade with the United States he assumes the imports from our country into Canada for the preceding years, 1860, '61, '62 and '63, to be \$18,379,006 more than are shown by our official statements. The discrepancy weakens his

argument, but does not affect his returns for the current year.*

His statement contains a very full analysis of the exports to the United States for the year. After deducting the specie from each, he gives us the results:—

Imports from all countries, and exports to the same,	\$87,001,620 00
Exports to the United States,	\$21,350,350 00
Imports from the United States, exclusive of specie, for year ending June 30, 1865,	14,820,557 00
Excess of exports,	\$6,529,793 00

To liquidate this balance from our country Canada has received a large amount of specie.

The entire importation of specie from all countries having been \$4,768,478, he leads us to the result that while the exports of Canada to the world exceed the imports by nearly a million, the imports on goods from our country are six and a half millions less than those Canada has sold to our citizens, and he leaves us to infer that we liquidate the principal part of the balance in specie. If any part of our exports have been valued in greenbacks, the deficit will be still greater.

The exports of Canada to the United States are shown by him to be,—

Lumber,	\$5,000,000 00
Animals, of which two-fifths are horses,	4,478,000 00
Wool,	1,351,722 00
Barley and oats,	4,500,000 00
Manufactures,	460,000 00
Butter,	340,899 00
Meats,	484,890 00
Other products of animals,	391,000 00
Balance, wheat, flour, &c.,	4,443,839 00
	\$21,350,350 00

*The \$18,379,006 added by the Minister of Finance are doubtless goods which pass *via* the Grand Trunk from Great Britain to the St. Lawrence, without breaking bulk; they are not entered on our official reports, and, carried by British steamers and a British railway, are British exports.

Our shipments down the Lawrence are less; but \$5,000,000 for two years,—'60 and '61.

He regards the trade in wheat or flour as a mere interchange between the United States and Provinces, the exports from Canada being compensated for in part by the imports into Canada, and are not greater than the shipment from the United States to the maritime provinces. The minister, in the course of his speech, beside giving us these particulars, makes several important suggestions.

First—That Canada would be disposed to enlarge her canals if she could be admitted to register her shipping and participate in the coasting trade.

That the men who formerly led public opinion in England, and who thought colonies a burden, had lost their influence. That if we put duties on Canadian products, they would open trade with the maritime provinces, and send them flour and barley, and would fatten swine on their coarse grains, instead of our corn; that they could change the character of their productions. He states, also, that Canada has been allowed by Great Britain to come in under the new treaty with France, and is increasing its trade with the maritime provinces and foreign nations, from which they now import three and a quarter millions dollars. That our country could not sustain high duties on a variety of imports without illicit trade, which might be checked if Canada were friendly; but if we built a Chinese wall of restriction, if there was to be no intercourse, the United States must look after their own frontier.

That if we did not send them corn and take barley, they could distill the latter; that the returns of distillation might not cover all the spirit, so much was sent out of the country, some legally and some illegally. That he and his colleagues thought smuggling might be checked by a friendly spirit and the selection of certain articles on which duties might be assimilated, and they were ready to meet the commissioners of the United States in a friendly spirit and listen to their suggestions. In his very moderate return of imports from the United States, (\$14,820,557) he sets down corn and coarse grains, \$1,800,000; meats, \$876,968; cheese, \$306,618; wool, \$174,071; other products of animals, \$814,599; fish, \$257,961, but gives no additional items.

We have thus, from official sources, the position of Canada and the views of her Government, and it is apparent that she

has prospered under the treaty. From 1851 to 1861 she has increased her miles of railway from twelve to nineteen hundred; she has increased her wheat and oat crops, her wool, the value of her forests and wealth more than we have, although she is naturally inferior in climate, soil and position.

She has, by her select committee on commerce, appointed in 1858, conceded that for some years prior to the Reciprocity Treaty the grain of the United States was worth 25 per cent. more than the grain of Canada, and now in both countries the treaty has for ten years kept it at nearly the same level. She is disposed to build our ships and take a large part of the coasting trade, and as an inducement for such concession she may possibly deepen her canals, to divert the trade of the West. Already has Canada made free ports on her coasts to the extent of one or two thousand miles on the shores of Lake Huron and the Gulf of St. Lawrence, doubtless to tempt our fishermen and frontiersmen to evade our duties, and now we are told distinctly that we must expect illicit trade if we adopt a system of restriction.

The Committee of Congress on Commerce, in their report on Reciprocity, in February, 1862, well suggest that in admitting Canada to the commercial advantages she would enjoy if she were a State of the Union, we had a right to expect from her in return the same commercial privileges which each State of the Union confers upon the others; we have given her all those privileges except those she now desires, and which we hesitate to concede in consequence of her connection with a great empire, which declines to do us justice. She has, with those conceded, achieved great success, and the question now arises, what reciprocal privileges has she given us?—have they proved to be an equivalent for those we have conceded? The reports of Mr. Andrews and of the Committee on Commerce, to which we have referred, present many conclusive answers to this question.

Before the treaty, Mr. Andrews, in his preliminary report—a document submitted by Mr. Corwin to our Senate—said, “that it would be wise to place the border trade between the United States and the Colonies on a different basis and under the influence of a higher principle, so as to mature and perfect a complete system of mutual exchanges between the different nations of this vast continent.” While the treaty was pending, Lord

Elgin, the British minister at Washington, alleged that "Canada had always adopted the most liberal commercial policy with respect to the United States, as well in regard to the commerce through its canals as in regard to the admission of manufactured goods coming from this country, and if the natural products of that country (Canada) should be admitted duty free, that Government would be willing to carry out still further the same liberal policy already pursued towards the manufactures of the United States." The treaty itself recited that the parties "were desirous so to regulate the commerce and navigation between their respective territories and people, and more especially between her Majesty's possessions in North America and the United States, in such manner as to render the same reciprocally beneficial and satisfactory."

With these intentions, thus expressed, the treaty was executed and commerce comm^{enced} need.

When the treaty took effect by the President's proclamation, March 17, 1855, the duties in Canada were very moderate, but 5 per cent. on some commodities, and 10 per cent. on others, but 12½ per cent. on our boots, shoes, leather, harnesses, and many of our other products; but within a year after the treaty Canada began to advance these duties, and by 1859 had raised them 62½ per cent. on one class, and 100 per cent. on another, embracing our chief manufactures, and most of them were thus excluded and the sale of others reduced.

The Committee of Congress on Commerce in 1862 complained in their report that the duties levied on our manufactures and other products had checked their exportation from the United States to Canada, that our commerce with that country reached its height in 1856 and then began to decline with the advance of duties, that our exports which paid duties to Canada declined from \$7,981,284 in 1856, the year after the treaty was adopted, to \$4,197,316 in 1860, a decline of 47 per cent. in four years only, while the whole amount of our Canadian commerce declined 25 per cent. from 1856, when the duties were low, to 1862 when they were high. The committee suggest that if Canada required more revenue, her attempt to raise it by new duties on our manufactures was a failure. It effected nothing but their exclusion. The committee in this connection draw attention to the fact that while Canada urges that she was

obliged to raise duties for revenue, she has established two great free ports—the port of Gaspé on the Gulf of St. Lawrence, with a frontage of 1,200 miles on shores frequented by our fishermen, and another extending for 1,000 miles from the Sault St. Mary, at the outlet of Lake Superior, along the shores of Huron and Superior, where our settlers and seamen engaged in the growing transportation of the lakes may be tempted to buy goods and evade our duties. If legitimate trade be the object of Canada, she should reduce her duties, when they diminish revenue, and if fair reciprocal trade is desired, should she tempt our mariners, miners and settlers to evade our duties, and compel us to establish ports and custom houses at great expense upon a long frontier?

If Great Britain maintains Gibraltar to extend her trade on the coast of Spain, must we have a Gibraltar on our frontiers also?

Our committee complain of the change from specific to *ad valorem* duties on foreign goods, which are based on prime cost in gold, if they come by the St. Lawrence or by the Grand Trunk or a British Railway, but are assessed on cost, freight, and charges if not prices in currency if they come *via* Boston or New York. This the committee deem an evasion of the treaty. They complain also of discriminating tolls on the Welland Canal, by which goods destined *via* Oswego and Ogdensburg for New York or Boston pay tenfold the tolls required on goods diverted from our ports to Quebec or Montreal. They cite the reports of Messrs. Hatch & Taylor to our Treasury Department, in which they favor the extension of free trade. They refer to the trade with the maritime Provinces under their system of low duties as more satisfactory than that of Canada, and come to the conclusion, at which the legislature of New York had previously arrived and set forth in their Resolves now on file at Washington, that “the legislation of Canada subsequent to the treaty, was subversive of its true intent and meaning, and that an isolating and exclusive policy had been adopted, intended to destroy the natural effect of the treaty by heavy duties on the products the United States have to sell, and by discriminating duties and tolls imposed to exclude the United States from Canadian markets.” Our Committee on Commerce conclude with a full recognition of the benefits which would

flow from a just treaty and extended system of free trade between the United States and the Provinces, by which reciprocity would be not merely a name but a substance on the whole frontier, and as a substitute for the treaty recommend the Zollverein, under which more than thirty-six millions of Germans freely interchange their commodities and divide foreign duties, while nearly as many Austrians are included under a more limited system.

The efficient minister of finance, who is very naturally on the alert when this treaty is discussed, reviews the action of our committee in a statement to the Canadian Parliament in March, 1862. He concedes most of the facts found by our committee, but endeavors to weaken their force and sustain the treaty. He urges that Canada, like the United States, was obliged to raise her duties, but apparently forgets that our rise did not affect the great exports of Canada.

He clings to the letter without regard to the spirit of the treaty shown in its preamble, and does not refer to the assurances given by Mr. Andrews, its chief author, and by the British minister and the officers of Canada, when the treaty was pending.

It is fresh in my memory that when invited to favor the treaty I declined to do so, because the programme of the treaty did not expressly authorize us to buy the staples of Canada with the products of New England, but it is now apparent that this was a dangerous omission and that Canada has not redeemed her pledges. The minister of finance urges that Canadian duties are not as high as our own, but a duty of 20 or 25 per cent. is too high if it excludes our manufactures. The duty on our clocks at Liverpool and on our drills at Calcutta were not higher, but they were just high enough to effect the purpose of Great Britain, the exclusion of the fabrics of the United States. The minister urges that the free ports of Gaspé and Sault Ste. Marie are to encourage the settlers; but the few settlers on these desert coasts require no such stimulus, and Canada in establishing them pays no respect to the great maxim of the law—*Sic utere tuo ut alienum non laedas*—while benefiting by a treaty whose express object was to make the trade beneficial to both parties. He admits that the discriminating tolls and duties have been imposed and claims the right to impose them. He

owns his object to be to promote the direct trade by the St. Lawrence by such measures, and avers that he has done so. He conceives this to be a laudable object and submits a table to show how large a proportion of the importations of Canada, many of which formerly came through the States, now come *via* the St. Lawrence.

EXTRACT FROM THE TABLE OF THE MINISTER OF FINANCE.

Importation of Leading Articles into Canada in 1861.

	Whole am't imported into the Province.	Proportion imported via the St. Lawrence.
Cotton goods,	\$5,600,000	\$5,123,076
Earthen and glass ware,	618,896	427,763
Fancy goods,	328,391	245,419
Iron and hardware,	2,851,014	1,943,398
Silks, satins and velvets,	921,152	875,195
Woollens,	4,271,276	4,003,077
Total,	\$14,681,506	\$12,617,928

The minister of finance thus demonstrates that eighty-six per cent. of this merchandise enters Canada *via* the gates of the St. Lawrence, leaving but fourteen per cent. for New York, Boston, and for American vessels, canal boats and railways. It is his province to conciliate Montreal and Quebec and propitiate Great Britain.

His duties are arduous and conflicting. For the seaports of Canada he must attract the breadstuffs of the West, to give freights to their shipping and commissions to their merchants; for them he must seek outlets to France, the maritime Provinces, Brazil and West Indies. With respect to Great Britain, whose subjects have little respect for custom-houses or lock-gates, he can present free ports on great highways and duties discriminating in their favor. To satisfy the Upper Province and to give value to forests and agriculture, he must command the home market of the United States. If we will give him the coasting trade, he will deepen the canals and take the direct trade also

He will accomplish three objects if he can secure the coasting trade, and the direct trade and the home market by a single blow, but the coasting trade is not to be conceded and we must compete for the direct trade also. In his statement to Parliament he protests against a Zollverein which would sever Canada from Great Britain and cut off her imports from the British Isles. He expresses a disposition to enlarge the free list, by adding books, implements, wooden ware and machinery, and would extend the system of free trade if such measures become necessary to preserve the treaty. He is ready to negotiate for its preservation, for he has much to lose, while there is reason to apprehend that we may struggle to revive our commerce and may ask equivalents for the future in a new negotiation.

We have thus examined the progress, commerce and policy of Canada, and find that she has grown rapidly in trade, wealth and population, that her annual commerce with us is fourfold its amount before the treaty; that she has not thus far redeemed the pledges given for her by Lord Elgin, the British minister, to favor our productions, but has checked their importation without benefit to her own, for she still devotes herself chiefly to her forests and agriculture, canals and railways; she has diverted some trade to the St. Lawrence, and established some free ports, and expanded her whole commerce to \$87,000,000 in 1865, of which \$50,000,000 are with the United States. We find that her exports of *produce* to us exceed her imports, that some shares and probably some bonds have flowed into Canada while a counter current has flowed into the States from the maritime Provinces.

But if the treaty has been a boon to Canada have we not also derived some benefits from a commerce of fifty millions, three-fifths of which consist of articles of food and materials for manufacture?

Are we not led to the conclusion that the treaty has brought to us some blessings in its train? Has not our tonnage in this trade wonderfully increased, and does it not still maintain its ascendancy? If our imports from Canada have exceeded our exports, have not those imports ministered to our wants and swelled our exports in the most trying periods of our four years' struggle? If we have imported horses and oats and live stock, have they not mounted and fed our cavalry and horsed our

artillery, and aided Sheridan in his last campaigns; and if we have sent a balance of two or three millions of specie to Canada beyond what we receive from the maritime Provinces, are we to send the products of our mines, one of our chief exports, to England only?

If Frederick the Great was able successfully to contend for seven years with Austria, France, and finally with Russia, by the supplies he drew from Silesia and Saxony, have not the Provinces contributed something to our success, and have we not some pensions to pay in the Provinces?

If our exports have diminished, a part of the diminution must be ascribed to our currency and the derangement of our trade. Are we not for the moment obliged to pay in our own markets three or four profits: first, the legitimate profit; second, a profit to cover the risk of a decline of value to specie prices; third, a profit to cover increased cost of living; and often a fourth, from the insufficient supply caused by the fear of producers to enlarge their works while labor and materials are above their true value; and shall we not produce more cheaply and change this as we return to specie?

If there are omissions of our productions in the treaty, is Canada to blame for them, if she has conformed to the letter of the treaty, and may they not have been made with a wise forecast by Mr. Marcy?

If the Provinces have sent us coal, wool, timber and rags, which last Canada classes among her manufactures, have they not given a stimulus to our industry, and if she has refused our return freight has not that diminished the net return upon her exports? And will she be less friendly and less interested in our progress if she holds a few of our bonds? Will they not be bonds of amity between us?

And now if she has drawn capital from Europe, built her canals and railways and connected them with our own, and is able to construct more for the trade of both countries; if she has to-day a small surplus revenue and is able and willing to transfer some of her duties from our manufactures to foreign luxuries and to discourage illicit trade; if she is willing to make the terms of a new treaty more beneficial than those of the last, is it our true policy to withdraw into our shell and refuse to listen to her overtures?

MARITIME PROVINCES OF GREAT BRITAIN.

Let us now glance at the seacoast and turn from Canada to our commerce with the maritime Provinces.

Our intercourse with these Colonies is annually increasing. They send to us large supplies of coal, lumber, fuel, gypsum, grindstones, fish and products of the fisheries, and receive in payment our breadstuffs, some manufactures, and some foreign goods. The goods we export are more valuable than those we receive, and for several years before the treaty our exports averaged in value more than twice the value of our imports. This disparity has been reduced, but still the balance of trade is in our favor and is realized in part from drafts on England for the proceeds of ships built in the Colonies and remittances in gold, and our citizens are engaged to a considerable extent in opening coal and gold mines in these Provinces.

Imports and Exports of British Maritime Provinces of Nova Scotia, New Brunswick, Newfoundland and Prince Edwards Island, in Commerce with the United States.

DATE.	Exports to above Maritime Provinces.	Imports.	Aggregates.
1850, . . .	\$3,116,840 00	\$1,358,922 00	\$4,475,832 00
1851, . . .	3,224,553 00	1,736,650 00	4,961,203 00
1852, . . .	2,650,131 00	1,520,330 00	4,170,461 00
1853, . . .	3,398,575 00	2,672,602 00	6,071,177 00
1854, . . .	4,693,771 00	2,206,021 00	6,899,792 00
1855, . . .	5,855,878 00	2,954,420 00	8,810,298 00
1856, . . .	7,519,909 00	3,222,224 00	10,742,133 00
1857, . . .	6,911,405 00	3,832,462 00	10,743,867 00
1858, . . .	5,975,494 00	4,224,948 00	10,200,442 00
1859, . . .	8,329,960 00	5,518,834 00	13,848,794 00
1860, . . .	7,502,839 00	4,989,708 00	12,392,547 00
1861, . . .	7,133,734 00	4,417,476 00	11,551,210 00
1862, . . .	7,369,905 00	4,046,843 00	11,416,748 00
1863, . . .	10,198,505 00	5,207,424 00	15,405,929 00
1864, . . .	12,323,718 00	7,947,897 00	20,276,615 00

At least ten per cent. should be added to these imports, as the Provincial manifests usually underrate the amount of shipments from the Provinces, to that extent.

The tonnage of the vessels in the trade with these Provinces arriving in the United States and clearing therefrom, in the year 1864, exhibits an amount of more than 1,600,000 tons, and their commerce with the United States during that year, as shown by exports and imports, was two-fifths of the amount of our average trade with Canada, while their population already given is less than one-third that of Canada. The vessels owned by these Provinces exceed five hundred and fifty thousand tons. Were these vessels to be withdrawn from the British marine and added to our own, we should resume our maritime supremacy, notwithstanding the reduction of more than a million of tons, by sales and losses, by the depredations of the Alabama, Sea King and other cruisers. The extensive coasts, navigation and fisheries of these Colonies, make their inhabitants familiar with the sea and they can furnish at least 30,000 seamen.

We have considered them in the aggregate, but let us now glance at them in detail and examine their revenue and commerce.

NOVA SCOTIA.

This Province, within one day's run of Boston, with its capital, Halifax, a great naval station, with the coal mines of Cape Breton annexed, and prosperous, to say nothing of recently discovered gold mines, is the most important of these maritime Provinces.

In 1862, Its tonnage was		277,708 tons.
Imports,		\$8,450,042 00
Exports,		5,646,461 00
Revenue,		730,000 00

Its seamen employed in the fisheries, were in 1861, 14,522, which is four per cent. of its entire population of 330,857.

The growth of its population from 1851 to 1861, has been $19\frac{80}{100}$ per cent.

The progress of its fisheries has been as follows:

	Vessels.	Boats.	Men.
1851,	812	5,161	10,394
1861,	900	8,816	14,322
	88	3,655	3,928

Increase of men, 38 per cent.

The fish taken in its fisheries, were—

In 1851, mackerel,	100,047	bbls. ;	herring,	153,200	bbls.
1861, “	66,108	“	“	194,170	“

The vessels built in this Province, were, in

1858,	16,366	tons.
1861,	23,634	“

Our merchants who are engaged in the trade with Nova Scotia, and other British Provinces, complain of the charges for lights and pilotage, and represent that owing to the standard of measurement adopted in the Provinces, our vessels, in proportion to their capacity, are expected to pay more than the Provincial vessels; that the packets and other small vessels, which run frequently from New England and New York to Provincial ports, require no pilots, but are obliged to pay for them. And that each of our vessels is required to pay light dues for a year in the Provincial ports, although it may make but a single voyage.

In our ports, no charge for lights is exacted, and it is just that this be reciprocated, and that no charge be made for pilotage to regular packets, and no charge for anchorage or transshipment to our fishermen. A portion of the shipping of Nova Scotia, is held by citizens of the Provinces, on American account, under the British flag, and intelligent merchants compute that one-seventh of the tonnage of the Provinces, is thus held for our countrymen. It is not improbable that several hundred thousand tons of United States shipping, have, during the war been registered in Great Britain and her Colonies, to reduce insurance, in addition to all that have been sold, and I would respectfully suggest to the Department, the policy of passing a special Act, allowing vessels that have been thus registered, to be registered again in the ports of the United States, upon paying a moderate duty, to be applied to the benefit of the orphans and widows of those who defended our flag. This would do no injustice to our ship-builders, and would take from the roll of England and restore to our own, a part of the tonnage of which her cruisers have deprived our nation. Would it be well to exclude such vessels and compel the owners to sell at low rates to the English, or risk their property?

The average of duties in Nova Scotia is not far from 10 per cent.

The coal mines of Nova Scotia now produce about half a million of tons annually. Two at Pictou and Sydney are held by an English company. The others, producing nearly half the coal, are held principally by citizens of the United States.

Several valuable gold mines, in which the quartz veins yield from 2 to 11 ounces per ton, are worked in this Province by citizens of the United States; some have become profitable and a half of one has been recently sold for \$500,000.

NEW BRUNSWICK.

This Province is but an extension of the State of Maine, along the Bay of Fundy.

In 1862 its Exports were		\$3,846,538 00
Exports to United States,		889,416 00
Imports,		6,199,701 00
Imports from United States,		2,690,703 00
Revenue,		668,197 00
In 1860 its vessels built		41,003 tons.
Tonnage,		158,240 "
Population,		252,047

The ships built and sold nearly sufficed to make up the difference, between exports and imports.

The duties in New Brunswick, average less than 16 per cent.*

Until a recent period there has been in this Colony a strong opposition to the union of the Provinces under one government. But this Province has been conciliated by a promise that it may draw for the general revenue a sum which will exceed \$200,000 annually, for a contract to aid a railway from the St. John River, to the line of Maine, to meet one from Bangor, one of the two links that remain to complete the chain from Halifax to Kansas and Texas.

The Province has agreed to advance \$10,000 a mile to aid this line as it passes through New Brunswick. It has also a mine of albertine, rich in mineral oil, which yields annually 15,000 to 20,000 tons and returns very large profits. This is held by our citizens.

* Letter of E. Allison, Esq., Nov. 16, 1865.

PRINCE EDWARDS ISLAND.

This fertile island derives importance from its harbors and position on the borders of the fishery for mackerel. The fleets of fishermen take in its vicinity a large proportion of their best fish; and if the United States should secure nothing else beyond the rights retained under the convention of 1818, the right to fish close to its shores, would be of great importance to our fisheries. A line of steamers is now established between this island and Boston, and large importations of fish and oats are made from it annually.

In 1861 its Population was	.	.	.	.	80,557
Imports,	.	.	.	.	\$1,046,750 00
Exports,	.	.	.	.	815,570 00
Vessels built, 8,045 tons, value,	.	.	.	.	216,500 00

Twenty-five years since a single schooner could have transported all the goods, passing between this fertile island and the United States, but now two steam packets run between it and Boston, making frequent passages through the Gut of Canso. Large shipments of oats and other produce are made to Boston and New York, and many products interchanged, and large supplies furnished our fishermen. At least half the crop of oats is shipped to England, and were we to impose heavy duties on them, the whole surplus of the Province would probably take that direction to the injury of our trade.

Doubtless, any considerable duties on oats and barley would send a large portion of those crops from Canada to Great Britain, under the decline of prices that would attend these great staples of Canada.

This fertile island was settled by the French, as a garden for their great fortress at Louisburg.

Duties 10 per cent.

NEWFOUNDLAND.

This Province has a sterile soil and brief, cloudy summer, but has for centuries been renowned for its fisheries, which comprise the cod, seal, salmon, herring and mackerel, although the two first are the principal.

Near its coast lie the Grand Banks, enveloped in almost ceaseless fogs, from the evaporation caused by the confluence of the Gulf Stream with the icebergs and ice currents of the north. Here cod abound in water 30 to 50 fathoms deep, on a bottom abounding in shellfish and frequented by small fish in great abundance. Cod are taken from boats near the shore, and herrings, early in the year are taken in vast numbers in seines, and many vessels load with them as bait for our fishermen.

In 1862 the Imports were		\$4,028,000 00
Exports,		4,684,000 00
Tonnage,		87,000
Revenue,		\$452,000 00
Population,		122,638

As early as 1517, 50 sail of vessels fished on the banks.

Duties 10 per cent.

VANCOUVER'S ISLAND.

This large and fertile island, with a soil and climate resembling that of Ireland, is situated opposite British Columbia. It has become the chief naval station of England on the Pacific coast, and occupies a position on that coast with reference to California, like that Nova Scotia holds on the Atlantic, with reference to the States of New England. Its chief city is Victoria, near the spacious harbor of Esquimaux, and the principal imports from British Columbia, and the exports of its gold, are made from this city.

In Barclay Sound, a London firm manufactures annually, 20 million feet of timber; and in 1863, 22,000 tons of coal were sent to California from valuable coal mines of Nanaimo.

In 1863, the exports from Victoria to our States

on the Pacific, were		\$2,935,170 16
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Imports—

From our Pacific States,		\$2,230,501 00
England,		1,432,521 00
Sandwich Islands,		113,486 00
other places on Pacific Ocean,		101,294 00
		\$3,877,802 00

Tonnage entered and cleared,		93,132
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BRITISH COLUMBIA.

The chief settlements and mines of this territory are in the vicinity of Frazer's River. For climate and soil it compares favorably with Scotland, and with respect to fisheries, the rivers and outlets supply abundance of salmon. Its revenue, drawn principally from mines, annually exceeds half a million of dollars.

THE BRITISH PROVINCIAL FISHERIES.

It is important for our government, when adjusting a treaty which bears on our fisheries, to learn what encouragement is given by other nations to their fisheries in the same waters. Great Britain for many years paid large bounties to her fishermen, but of late years has substituted for them what is more beneficial,—a system of light duties. The colonists of Great Britain enjoy great natural advantages. The fish are upon their coasts. Without loss of time or long voyages, like those made by the mariners of France and the United States, they can pursue their avocations upon their farms; and when wind, weather and fish invite, can launch their small boats from the shore, and return weekly and often daily to their families, and dry or pack their fish upon their own land. Great Britain has established ports for free trade upon their coasts, and duties less than one-fourth of those we have been compelled to impose.

Remissions, low duties and natural advantages confer benefits on the Provincial of twice the amount of the bounty of \$4 per ton which the United States grant to our fisheries to educate mariners.

The best estimate of the product of these Provincial fisheries which I find accessible, is the report of Arthur Harvey Esq., statistical clerk in the finance department, Quebec. It is based upon the census tables of the several Provinces for 1860 and 1861.

Value of Fish caught, 1860.

Newfoundland (principally cod,) . . .	\$4,440,000 00
Nova Scotia (cod, mackerel, herring,) . . .	2,562,000 00
New Brunswick (cod, mackerel, herring, alewives and hake,)	388,385 00
Prince Edwards Island (cod, herring, mackerel,)	272,532 00
Canada estimate,	700,000 00
	\$8,362,917 00

These fisheries are gradually increasing. The duty on most articles used in this fishery is but one per cent.

THE FRENCH FISHERIES.

France, two centuries since, held Acadia, and controlled Newfoundland. Her great object was to secure the fisheries, which she considered a nursery of seamen, and essential to her power. To insure their safety she expended five millions of dollars upon Louisburg; and her fisheries more than a century since were estimated to produce one million quintals annually.

On the 20th of December, 1850, when the law which granted bounties to the sea fisheries was expiring, the French Ministers of Marine and Colonies submitted a report to the National Assembly, in which they gave the statistics of the cod-fishery, and stated that the average number of seamen engaged in them from 1841 to 1850 was 11,500, and the average bounty paid annually was \$780,000, or 3,900,000 francs, equivalent to $867\frac{60}{100}$ for each seaman; and that France trains up in this manner able and hardy seamen for her navy, who would cost the nation much more if they were trained to the sea on ships of war.

Their statements, accompanied by a draft of a law to renew the bounties, were referred to a commission; and its chairman, May 3, 1851, made a report in which he states that the commission had examined delegates from all the ports engaged in the fisheries, with the papers of a former commission, and those of the Council of State; and, in concurrence with the Directors of the Customs and the Ministers of Marine and Commerce, reports: "That the intervention of the State in the form of aids and bounties can be justified only by considerations of general and public interest;" that such industrial employments as can prosper at the expense of the public treasury only should not exist: that although the industry exerted in the fisheries and the commercial activity that resulted from it gave employment to a large class of people, this was a secondary consideration; that the encouragement given to the great fisheries was not an exclusive protection or favor to any one form of industry; that the law they had the honor to propose was not a commercial but a maritime law, conceived for the advancement of the naval power of the State; that France, situate on three of the most

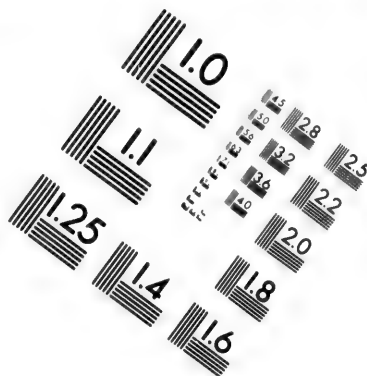
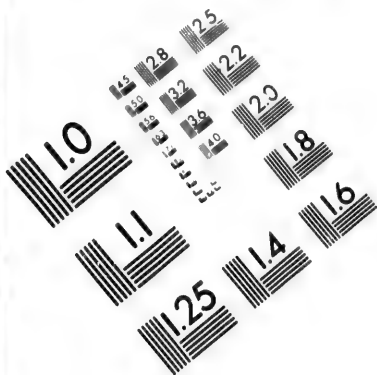
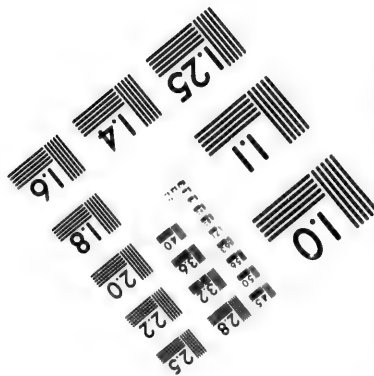
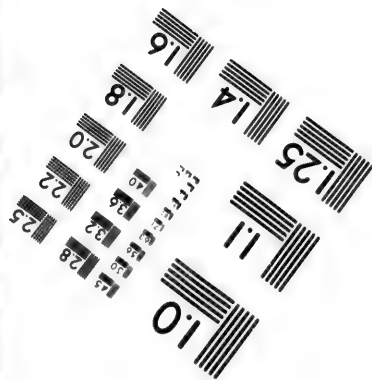
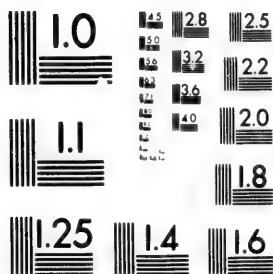


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important seas of Europe, must continue a maritime power; that treaties which had become inevitable had robbed her of her colonies; that coal belongs to the English, and cotton to the Americans; and the shipments of sugar were growing less and less.

The great fisheries still remain; on them repose our hopes; and to preserve them we must continue the encouragement we have given them, even at periods when commercial and colonial prosperity infinitely superior to that now existing multiplied our shipping and furnished abundance of seamen. That the fisheries gave employment to a great number of men, whom a laborious navigation, under climates of extreme rigor, rapidly formed to the profession of the sea.

No school can compare with it in preparing so many and so well for the services of the navy. That if the bounties on exportations were stopped, an insignificant number of vessels would be equipped; that the annual returns averaged forty-four millions kilogrammes of dry fish (or one million quintals,) of which three-eighths were exported under bounties "on exportation." The law continues the bounty of 50 francs, or \$10 per man, engaged in the deep sea fisheries and establishes a bounty of 20 francs or \$4 for each French quintal of 221 lbs. avoirdupois exported to America. This is equal to \$2 per cwt.

The official tables annexed to this report, give the average number of tons of the vessels of French fishermen employed from 1842 to 1847.

	Tons.
On the coast of Newfoundland,	21,195
At St. Pierre and Miquelon,	657
At Grand Banks,	5,816
At Grand Banks without drying,	13,703
At Iceland,	7,794
Total,	49,165
Average from 1835 to 1839,	53,456

Number of vessels 1st period, 416; 2nd period, 389.

Since the passage of this law, the French fisheries have materially improved. Larger and superior vessels are used,

averaging 157 tons, or twice the size of our vessels. They carry 20 men each. France had in these fisheries,

In 1858, 492 vessels; 77,150 tons; 15,280 men.

During this year she paid in bounties, \$735,000 equal to \$9½ for each ton in the trade, while our rate was but \$4 per ton.

The product of her fisheries was \$3,500,000, and she exported in that year to the United States 41,151 quintals.

The French Dictionary of Commerce published at Paris three years since, remarks that "the Americans cannot continue their fisheries against the English, and against the French aided by a bounty, without a bounty also." The increase in the French fisheries since 1851 has averaged 8 per cent. per annum.

THE UNITED STATES FISHERIES.

The importance of these fisheries has not been appreciated by the Middle and Western States, although they have rendered such important aid to our nation, both in the wars of 1776 and 1812, and more recently from 1861 to 1865, by men trained amid ice and fogs of the Gulf of St. Lawrence and upon boisterous seas to naval service.

I have adverted to the services of these trained seamen in former wars, but many of them have in the last four years evinced their ability and endurance by maintaining for years, through storm and sunshine, summer and winter, days and nights, a blockade of 3,000 miles of coast, that Great Britain considered impossible, and by the capture of 1,500 prizes. At Port Royal with wooden walls alone, they assailed and captured strong and well armed fortresses.

At New Orleans they pushed aside the fire-rafts, and with their ships festooned with chain cables, assailed successfully both forts and iron-clads.

They were among those who run the gauntlet of Vicksburg and Port Hudson, and opened the Cumberland and Tennessee Rivers, and manned the decks at Mobile, when Farragut, who fought with them in 1812 on the Essex, lashed himself to the mast.

The history of the past teaches us their value in the future. The American fisheries are not only the chief nurseries for the

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mariners and petty officers of our navy, but they are the schools from which spring the most able and enterprising mates, captains and merchants who conduct the foreign commerce of the nation.

The deep sea fisheries of the United States, at the present moment, although oppressed by heavy duties; although deprived of a part of the home market,—are still alive, and their returns for 1865 exclusive of the whale fishery, are more than the whole returns of the British North American fisheries.

The tonnage engaged in the United States fisheries has been as follows:—

DATE.	Tons in the Cod Fishery.	In the Mackerel Fishery.	Aggregate.
1862,	122,863	80,596	203,459
1863,	117,296	51,019	168,309
1864,	103,742	55,494	159,236

The return of fish and oil from this tonnage for 1862 considerably exceeded fourteen million dollars—drawn from the rich pastures of the deep. We have not exact returns of the fish or oil landed on our shores, for these are not recorded in our official reports; but we have proof that in 1862 and down to the present hour the trade has paid fair profits beyond outfits, repairs, insurance and other disbursements, and that these average more than \$80 per ton for the vessels and boats in service, or more than \$13,000,000.

The aggregate produce of the French, British and United States fisheries on the coasts of America at this time, must exceed \$25,000,000, of which, about one-half belongs to the United States, and our proportion of the men in the service, * averages at least 25,000. Our conclusions are drawn alike from the tonnage employed, the men required to navigate it, and the necessary expense of sailing the vessels, and from evidence taken.* The progress of the American fisheries, down to 1851,

* During the present season many Beverly fishermen have averaged more than 12½ quintals of dry fish to the ton, caught in less than 6 months. The present value of such fish exceeds \$8 the quintal.

is well recounted by W. A. Wellman, Esq., late Assistant Collector of Boston, in Senate Document, No. 112, for 1852, to which I refer.

The Treaty of 1783 expressly stipulated that the people of the United States shall continue to enjoy unmolested the right to take fish of every kind on the banks and on the coasts, and on the bays, harbors and creeks of the British dominions in America, and under its provisions the fisheries were revived and rapidly increased.

A bounty was allowed on the exportation of fish as a drawback of the duty on salt which subsequently took the form of the present allowance.

Until the embargo of 1808 fell with crushing weight upon the industry of the North, the fisheries grew rapidly.

During the embargo and the war, when bounties were discontinued, the export declined to less than \$100,000 in 1814. But the navy was manned and enabled to cope successfully with the frigates of England. The Treaty of 1814 was silent as to the fisheries and we resumed our original rights, and the bounties were renewed, but our commissioners in 1818 having imprudently renounced our right to fish within three miles of the shores, harbors and bays of Nova Scotia, New Brunswick, Cape Breton and Prince Edward Island, and the Imperial Government having subsequently undertaken to draw a line from headland to headland and exclude us from the bays of Chaleurs, Fundy and the Strait of Canso, and to seize and confiscate our vessels, our fisheries, which had gradually progressed and reached 145,000 tons, again receded and became nearly stationary from 1838, until negotiations for a treaty were commenced in 1851.

The tonnage then began to improve, and continued progressive until 1862, as appears by the following table:—

Tonnage of the United States Fisheries.

1851, . . .	129,000	1857, . . .	147,000
1852, . . .	175,000	1860, . . .	163,000
1853, . . .	169,000	1861, . . .	181,000
1854, . . .	137,000	1862, . . .	203,000
1855, . . .	125,000	1863, . . .	168,000
1856, . . .	133,000	1864, . . .	159,000

The trade culminates with the return of 203,000 tons. It has been reduced by the high duty on salt and outfits. But aided by the high prices of the present year and increased demand it is recovering, and will, if properly sustained by Government and freed from oppressive taxes, probably again become progressive.

It suffers for the moment a temporary check from the duties on salt consumed, which have been as follows, by official returns:

DATE.	Duties on Salt Consumed in the United States, chiefly in the Fisheries.	Remissions of Duties termed Bounties.	Seamen in Fisheries.
1859,	\$190,965 00	\$426,962 00	21,758
1860,	210,331 00	458,394 00	22,611
1861,	194,300 00	467,834 00	26,575
1862,	418,084 00	429,556 00	28,048
1863,	1,211,997 60	350,135 00	23,222
1864,	887,003 00	352,834 00	21,925.

The salt consumed by the fishermen is at least 1,400 pounds per ton, and ranges from \$600,000 to \$700,000 yearly. The fisheries break in at least 5,000 new seamen annually.

The number of vessels in the fisheries has ranged, since 1850, from 2,414 to 3,815 in 1862, beside boats in the shore fisheries. Six hundred sail of these vessels have in a single season fished for mackerel in the Gulf of St. Lawrence and Bay of Chaleurs, and taken fish to the amount of \$4,500,000.* †

The change of measurement reduces the amount of tonnage in the fisheries, as most of the new vessels are clipper built, and can make the run from Boston or Gloucester in three or four days to the Strait of Canso; but its effect is not to reduce their capacity to carry, but capacity to draw bounties, and as the bounty is not well understood, I would respectfully suggest the change of its name to what it truly is, a partial drawback of

* See Appendix, page 84.

† Nearly one-fourth of our fishing fleet, with a tonnage of 40,000 to 50,000 tons, worth \$5,000,000 to \$7,000,000 annually, fish near the three mile line of the Provinces.

duties on salt and outfits, to vessels engaged in the deep sea fisheries.

This will save valuable time and prevent misapprehension.

Let us glance for a moment at the routine of the fisherman. In January he repairs his vessel. In February the fleet sail for George's Banks, where in a deep and turbulent sea they fish for cod and halibut, while a part run to the banks and shores of Newfoundland. In May, the mackerel strike the coast at Cape Henry, and the fleet divides—some vessels seek the fish off the Capes of the Delaware; some run through the Strait of Canso to the Gulf of St. Lawrence, where they fish for cod until the last of June, when many of them pursue the mackerel until the approach of winters, along the shores of Canada, Nova Scotia, and Prince Edwards Island. In November they steer towards home, while a portion have fished for cod on the banks and coast of Labrador, and a portion have found the mackerel on the coasts of Maine and Massachusetts. By December the fleet returns, the fishermen pack and divide the spoil, take a brief respite, and then prepare for the resumption of their perilous voyages. In 1851 more than 100 vessels were driven ashore in a gale, and 300 lives lost, on the coasts of Prince Edwards Island; the fleet faced the storm rather than risk detention in port for an infraction of the treaty.

In 1852, says the "Gloucester Telegraph," the mackerel taken fall short one-half from the supply of the previous year, because the vessels were obliged to keep further from the shore, and were prohibited from fishing in the Bay of Chaleurs, where full fares would have been obtained.

Many vessels pursue the cod for four or five months, to secure the bounty, and then return or follow the mackerel, and by combining both make the season profitable. All consider the perpetuation of their ancient rights to the shore fisheries as of the highest importance.

The people of Prince Edwards Island, where the best fish abound, do not object to the fisheries. Their season for agriculture is so brief and time so valuable when the fish strike their coast, that they cheerfully resign the fish to their visitors, and are happy to sell them milk, butter, vegetables and poultry. In the winter they devote themselves to ship-building.

France gives a bounty to her fisheries, to sustain her naval power.

Nature gives a bounty to the Provinces, in their proximity to the fishing grounds.

The policy of England coöperates with nature, by remitting duties on all the fisheries require. This the French term protection. This is better than bounties. And we, who have both distance and adverse influences to counteract, impose duties on hull, rigging and sails, on chains, cables and anchors, on seines, lines and fish-hooks, on tea, sugar and coffee, on nearly everything the seaman eats, drinks or wears. When these, too, were at the highest, we have, by change of measurement, reduced one-fourth the drawback we have given for the last fifty years, in the shape of a bounty or allowance of four dollars per ton, and while we diminish it to one-fourth the rate paid by France, and import her dry fish at a duty of fifty cents per quintal, after they have drawn a bounty of fourfold that amount, we continue a tax of eighteen cents per 100 pounds, or more than 200 per cent. on prime cost of salt, a most oppressive burden on our fisheries.

When we consider what the fisheries have done for our commerce and our country, and reflect how cheap and useful is the food they furnish, indispensable on certain days to Roman Catholics, and renovating to all, as Agassiz states, from the phosphorus it contains; when we reflect, too, upon the great market the fisheries furnish for the beef, pork and flour of the West, the question may well arise,—does the nation deal fairly or wisely with its fisheries? They consume at least 75,000 barrels of beef, pork and flour, annually, according to the computations of the fishermen, while the wives and children of those fishermen, doubtless, consume a much larger amount. Whether we treat or not, the duties on salt and necessaries should be remitted, and the fishermen protected.

We have thus taken a brief but comprehensive glance at the inland commerce with Canada, the trade with the maritime Provinces and the fisheries; and the question recurs, What is to be done? Are we to go back, with contiguous and growing Provinces, more populous than the United States in 1783, to a system of retaliation and restricted commerce, to ports closed as they were before 1830, except during the embargo, when Eng-

land opened them?—are we to come to blows with her for rights won by the sword in the war of the Revolution, which improvident commissioners have impaired or put in jeopardy, or shall we make a treaty? We must either risk our mackerel fishery, treat, or annex the Provinces. We may not be ready for the latter, and can offer more inducements and attractions at a future day, but we are in a strong position to negotiate. Shall we try negotiation or duties restrictive of commerce? Lord North tried restriction and coercion, and they cost him the Colonies. Let us pursue a different policy. Let us treat the Provinces as friends and patrons, as valuable customers, and if they join us let them come as friends; we desire no unwilling associates.

Thus far the Provinces, and more especially Canada, have found reciprocity teeming with benefits. It is to them eminently beneficial; without it their agriculture and commerce must languish, and their lumber, coal, fish, canals and railways probably decline in value. We can properly demand, and it seems to me they must and will grant terms that will satisfy our country. It would be most unwise for Great Britain, with \$3,000,000,000 annually afloat, on foreign voyages and in her coastwise commerce, to risk a collision with our fishermen, and the war to which it would in all probability lead, in the present state of public feeling in this country.*

NAVIGATION OF THE ST. LAWRENCE AND SHIP CANALS TO THE SEA.

There is another subject in which the West takes a deep interest, which was discussed at length before the convention at Detroit, and should command the attention of the commissioners who negotiate a treaty. In the language of the Resolution adopted unanimously by the Boards of Trade and commercial representatives of New York, Boston, Philadelphia, Baltimore, Chicago, Cincinnati, Detroit, and fifteen other large cities, "the treaty should include the free navigation of the St. Lawrence and other rivers of British North America, with such improvements of the rivers and enlargement of the canals as

* Will it be the policy of Great Britain to allow 38 millions of our people injured to war, to contrast much longer her apathy in the case of the Alabama with her alacrity in the case of the Fenians and Jamaica negroes?

shall render them adequate for the requirements of the West in communicating with the ocean."

The West, with its soil of exhaustless fertility, stimulated by the progress of art, finds all its outlets insufficient and its granaries overflowing. The enlarged canals of New York, the railways of our great seaports, prove inadequate.

It requires Lake St. Clair to be deepened and ship canals to be constructed for large steamers, to enable it to send its freight without breaking bulk, both to the Atlantic and the Gulf of Mexico.

In the discussion at Detroit the Provincials urged the importance of a direct route to Liverpool to a market, which in ordinary years absorbs breadstuffs to the amount of £26,000,000, and to a country ready with low duties to send any quantity of manufactures in exchange. Other gentlemen proposed to send flour and provisions by this route to the West Indies and South America, and receive back sugar and coffee in return. New York and Canada both favored the opening of a ship canal from the St. Lawrence into Lake Champlain; other States urged the importance of lines from Green Bay or Lake Superior to the Mississippi and the enlargement of the canal from Lake Michigan to the Mississippi.

The United States and the Provinces are alike interested in these measures, and it is respectfully suggested that they should be embraced in the treaty.

At the present time the Erie Canal admits no vessels exceeding two hundred and twenty-four tons, the St. Lawrence Canals, with small locks and ten feet water, are restricted to three hundred tons, while the Welland admits vessels of four hundred tons, drawing nine feet only.

The West, through Mr. Joy, of Detroit, asks for a depth and width sufficient for vessels of one thousand five hundred tons, of sufficient draft to navigate the ocean safely, and for such vessels twelve feet will be required. Through the six months of summer and autumn the run from Montreal can be made to Liverpool with dispatch—the distance is less than the distance from New York.

It would be reasonable to ask Great Britain to perfect that portion of the route which lies between Lake Ontario and Montreal. She ought also to be called upon to aid in deepening Lake St.

Clair, for it will benefit the commerce of both countries. She has proposed to make a ship canal from Lachine to Lake Champlain, which may be effected for three to four millions, and carry large vessels laden with the cereals and lumber of the West to Burlington and Whitehall; and such a step would induce New York to enlarge her Champlain Canal, and thus carry large steamers to the deep waters of the Hudson.

While these steps are appropriate for Canada, the United States might stipulate to aid in deepening St. Clair, in enlarging the Michigan Canal, and to build a ship canal on her own territory around the Falls of Niagara with a depth of twelve to fifteen feet and a capacity for vessels of one thousand five hundred tons. They could annually apply two or three millions to these great objects of national, and more than national importance, and in a few years they would be accomplished.

The St. Lawrence route would relieve the existing canals and railways, and the route by Lake Champlain would compete for the direct trade to Europe and supply our Eastern seaports, while the Michigan Canals would attract the commerce of the South and the West Indies. It is proper also to remark that a very valuable suggestion as to these public works has been made by one of the ministers of Canada. It is that they should be made neutral in case of war, and that all vessels and property of both nations passing through the same shall be exempt from seizure.

Provision would thus be made both for the Provinces, the West, the South and the East, and the great home market of the East is not to be forgotten.

The Provincials, when presenting to the West the market of Great Britain for breadstuffs, urged as an argument for a cheap and direct route that we should meet there some competitors, and the following table was submitted by G. H. Perry, C. E., of Canada West, viz. :—

Percentage of breadstuffs imported into Great Britain from,—

Russia,	19½ per cent.
Prussia,	31½ “
Mechlenburg,	8 “
Hanse Towns,	4 “
France,	6½ “

Turkey,	5 $\frac{1}{4}$	per cent.
Egypt,	2 $\frac{1}{4}$	"
United States,	7 $\frac{1}{4}$	"
Denmark,	11 $\frac{1}{4}$	"
Other countries,	2 $\frac{1}{4}$	"

These prove his case, but he omitted to state that while we should divide the profits with others abroad, and find prices less than in former days, there was a home market in our Eastern and Central States where \$2,000,000,000 of domestic manufactures were exchanged for the products of agriculture, to which easy access might be had by the placid, clear and safe navigation of Lake Champlain, and the railways that radiate from Oswego and Ogdensburg, Lake Champlain and the Hudson. With these improvements made, all the Provinces and the States would be interested in the completion of the Northern Railway from Lake Superior and the Mississippi across the Red River of the North to the Pacific, and the growth of the West would still give a large traffic to the canals of New York.

The propellers on their way down the lakes would rarely take fuel for more than two or three days' consumption, and on their arrival at the ports of Montreal or New York would land there portions or the whole of their cargoes for distribution, and replace them with coal for a fortnight's steaming and freight to Europe.

Let us give the St. Lawrence a Southern outlet.*

In case the old treaty expires, there are those who desire to place heavy duties on the exports of Canada. They urge that she gave her sympathies to our foes and allowed them to organize and assail us across the frontier. That nature has interposed our country between Canada and the sea. That we should avail ourselves of our position and draw a revenue from her commerce. That her natural market was our home market, that her Provinces were nearer to the seats of our commerce and manufactures, than our Western States. That her lands, forests and mines depended for their value in our markets. That we had incurred debts to preserve the latter, and if Canada is to use them she should, like our States, contribute to the cost.

* See Appendix, page 83.

That she could easily do so, as she had access across the lakes to our canals and railways, and that under our treaty her animals and coarse grains were worth more at Kingston or Toronto, than ours at the West. That the nations of the old world coin their natural advantages into money. That Russia, France, Holland and Great Britain in her East India possessions, impose duties on the exports that they monopolize, and exact tribute from other countries.

But may it not be urged that some allowance is to be made for Colonies like Canada struggling to reach the ocean, to break the icy fetters that bind them half the year, anxious to obtain favor from England and rival the improvements of the great Republic on their borders, and to meet the interest of a debt which seemed to us immense before we had contracted our own?

And may we not ascribe the tone of the frontiers to the emissaries of secession and the leaders of the London press?

Would it be wise to incur the ill will of a Province whose frontier for three thousand miles borders on our own? Would it be politic to stimulate illicit trade at a time when we require high duties to meet our engagements?

Again, let me ask, is it desirable for us to have a Province on our borders with property depreciated and trade languishing—and should we not participate in its prosperity, if we give life to its commerce—or should we divert business from our canals and railways to a new and circuitous route across New Brunswick? And if New England and New York lie between Canada and the sea, does not Canada lie between us and some of the States of the West?

If the revenue of Canada now enables her to recede from her duties on our products; if she sees that they give no commensurate benefit; if she has inexhaustible forests and fields on our borders; if under the guidance of England she has not yet learned to manufacture largely and is willing to exchange her staples for the products of a country like ours, more advanced in the arts; if our manufactures bid fair soon to overtake our agriculture,—may we not profit by a fair exchange and may we not forget the errors of the past and welcome the friendship of the future. It is doubtless desirable for Canada to reach our home market and to gain a direct route, summer

and winter, to the sea, but she has open to her half the year the route of the St. Lawrence, connected by a series of canals and railways, with the lakes. And is it our policy to turn all her trade that way, or through the wilds of New Brunswick? These are important questions.

Canada sends to us under the treaty many animals. Among these in 1863 were 19,335 horses and 21,665 cattle, and 71,000 sheep, which aided us in finishing the war.

The aggregate value of all such animals imported from Canada was last year, more than \$5,000,000, but we send her beef and pork to the amount of nearly \$2,000,000 and she exports beef to Europe.

Should we impose heavy duties on horses, sheep pelts or wool, would she not send cattle in their place? If we tax the cattle heavily, would she send the animals across the border, or ship their beef to Great Britain and compete with our beef in the English market?

Many of her chief products now stand upon an equipoise. We send her cheese and she sends us butter, but more than half her export of butter is to England. Two-thirds of her surplus peas and beans go to Europe less than one-third cross our lines, and the lumber we exclude by an onerous tax might meet ours in South America or the West Indies. Canada might thus suffer, but our canals, railways and commerce, would partake of her losses.

Again, we have a large manufacture of wool, which had risen from \$65,000,000 in 1860 to \$122,000,000 in 1864, requiring 152,000,000 of pounds, nearly half of which was imported, and Canada supplies us with 5,500,000 pounds of combing wool the present year, of a quality we do not produce, but which we require for our new fabrics for our mousseline delaines, alpacas and bunting.

In the recent very able address of J. L. Hayes, Esq., to the National Association of Wool Manufacturers, the above facts are stated. It is also stated: "That in 1860 we imported \$15,000,000 of worsteds, principally from England. We made only \$3,000,000. To replace the English worsteds we have absolutely no raw material and depend wholly on the Leicester and Cotswold wools of Canada." The success of the Lowell Manufacturing Company in fabricating alpaca goods from

Canada lustre wools has demonstrated that the wool does not deteriorate. The Canada wool has been found equal to the best English lustre wool imported for comparison. The free wool of Canada has been an inestimable favor to our worsted manufacturers. It does not compete with the productions of our own farmers, as we raise little more than 200,000 pounds of long wool, while Canada consumes 300,000 pounds of our clothing wool annually. It is not possible that our production of long wool can keep up with the demand. Would it be wise, while we are competing with Europe for the production of \$15,000,000 of worsteds, to check the introduction of the long and silky fleeces produced in the cold and moist climate of Canada, and send that staple abroad to aid our rivals? In four years Canada can furnish all we require for the \$15,000,000 of worsteds.

There are few of the great staples of the Provinces it would be wise to tax heavily, should the chance be afforded. It would be unwise to tax the minor articles, and most unwise to tax those which would be diverted by a duty.

The field of inquiry is limited to the great staples of the Provinces—wheat, oats, barley, coal, lumber and fish, and, possibly, horses. We may dispose at once of wheat; Canada sends us the flour of her white wheat, and annually takes in return an equivalent in the red wheat of the West, most of which she consumes. This is a fair interchange. As respects the flour "*in transitu*," each country invites to its ports for shipment to Europe.

With respect to oats, the production in Canada is immense, having risen in 1860 to thirty-eight millions of bushels; and our importation of oats from Canada was, in 1864, over nine millions of bushels. But, under our system of free trade, half the oats exported from Prince Edwards Island seek the market of Great Britain; and a duty exceeding four cents per bushel, would probably either diminish the cultivation in Canada, or send a large portion to Europe.

Barley might possibly bear a duty of five or seven cents per bushel, but a higher duty would probably send it to the still or to Europe.

The coal of Pennsylvania meets the English coal at Montreal, and our exports through the lakes, including Lake Champlain,

range from 103,000 to 171,000 tons annually, between 1861 and 1864, while we receive from Canada, annually, 100,000 to 150,000 cords of firewood. This interchange must progress with a return to specie payments, and the extension of coal railways to Rochester and Oswego. But we import coal from the Provinces, as well as export to them. Nova Scotia has extensive coal mines, once held in strict monopoly by the Duke of York. Most of them have reverted to the Province, and grants are now made to individuals, reserving royalties. Some of our own citizens are opening mines in this region to supply our home demands. The chief mines at Sydney and Pictou are within nine miles of the seacoast, and nearly free from the charges of railway transportation. The freights to the New England coast are often as low as the freights from the Chesapeake, and, in ordinary times, Provincial coal can be laid down in the seaports of New England, for five dollars per ton in specie.

It would seem as if nature had designed this region for the supply of our north-eastern coast. The coal from Nova Scotia is bituminous, and thus, differs from the coal of Pennsylvania, and is adapted for other uses, in gas-works, forges and furnaces. At least half of it is used for gas. Fifty thousand tons are annually used by one gas company, in Boston. It is used, also, to a considerable extent by the steamers which run to foreign ports.

While we place a tax on our own coal, it is doubtless just that this coal should contribute as much, or more, to our revenue; and, doubtless, a moderate duty of five or ten per cent. might be hazarded on this coal, on which we pay both cost, and a large proportion of the freight, to foreigners. The importation annually increases.

But we must not forget that if we impose a large duty, it must fall in part on the consumer; and whatever falls on the Provinces may check importation. That the Eastern States require cheap coal to impel their engines, to heat their furnaces and set their steamers in motion, as well as to meet the severity of their long winters. That if we are to compete in steam navigation with England, whose coal is nearer her ports, we must have cheap fuel. We have already resigned to her our passage money, freights, and ocean postages, to encourage packets con-

vertible into frigates, and now it is not easy to regain the ground we have lost, if we relinquish cheap fuel. Such considerations will, doubtless, prevent a heavy impost on such a necessary—which we take in payment for our breadstuffs—from shores adapted by nature to supply New England.

LUMBER.

Another article, on which we might impose duties, is lumber, which comes to us in the various shapes of timber, plank, boards, masts, spars, railway ties, laths, shingles, clapboards and saw logs. It comes principally from Canada, as New Brunswick sends most of her surplus to foreign ports, (where she competes with Maine,) and less than twenty million feet to the United States; while Canada sends us lumber to the amount of five million dollars.

An average duty of one dollar per thousand, board measure, would add materially to our revenue, and with a less impost upon our own lumber, might enable us to raise annually, from this article, six or eight millions of dollars; as our home production was found, by the census of 1860, to exceed ninety-five millions of dollars annually.

Nature has made on the lakes and rivers of Canada an immense provision of pine, which may be easily floated to our borders, and thence to our great centres of production; and its bulk, and the rapid diminution of our home supply, would, doubtless, prevent a diversion, if we impose a moderate duty.

There are strong arguments for a moderate duty. It will fall in part on the producer. We are wasteful in the use of lumber—we expose it to moisture and quick decay in fences, walks and cellars, where hedges, stone, or brick would render more service; and if a tax checks consumption, it will keep more in reserve for the wants of the future.

There is, too, no reciprocity as to lumber, for we export little or none to the Provinces, unless it be a small amount of yellow pine and oak, for ship-building, and some staves and clear pine from the West. Mr. Skead, of Ottawa, estimates that Canada has, upon lakes and rivers, easily accessible, 287,000 square miles of pine forests, and a large supply of valuable wood; less than one-tenth of her pine forests have been cut over.

FISH.

Another subject for duty is fish, not the white fish, salmon or salmon-trout, sent fresh to market, and caught upon the lakes and rivers of the Provinces. Not the smoked salmon or herring, which come in small lots to market, or the fresh herring imported from Newfoundland for bait, but the dry cod-fish and packed mackerel, such as are the chief product of our deep sea fisheries.

France gives a bounty to her fishermen of \$2 for every quintal they send to Boston or New York. Nature gives one to the Provinces; Great Britain another, by the remission of duties. The combined effect of these, aided by the pressure of our duties on salt, enabled the Provinces to send us, in 1864, fish to the value of \$1,376,704, while France sent us the less amount of \$32,410, on which we realized a duty.

To meet the privileges of the Provinces and the bounties of France, we allow our vessels which pursue the cod-fishery for four months, a remission of duties of \$4 per ton, a remission which is reduced by the new measurement. We accompany this by duties that average more than three times the amount of our remission.

Thus do we meet the rivalry of the world in conducting our great naval school of seamen. To meet the privileges and bounties of other nations, our fishermen had their native energy and their home market left. We admit the foreigner to the latter, and now they have nothing to fall back upon but that native energy of which no one can rob them; which these amphibious men, alike at home, at sea, or on shore, have ever exhibited. Is it just to give again the great home market for fish to the Provinces, while we place a duty of fifty cents per quintal, in gold, on the French fish, and tax our own fishermen so severely? Should we not have full equivalents for admission to the home market, and should not some of these accrue to the benefit of our great college of seamen? We have never resigned our rights to fish in the Gulf of St. Lawrence, the Bays of Fundy and Chaleurs, which are not bays of shelter and repairs, and exceed six miles in width at their outlets; and our country will never resign them. The only right we have resigned is the right to fish within three miles of the coast and ports for shelter on the shores of Canada, Nova Scotia, Prince Edwards Island

and New Brunswick. But few fish are taken within a marine league of the coast, but it will often happen that when a fleet of several hundred sail are in pursuit of a vast shoal of mackerel in the open sea, and loading their vessels, the fish will pass the invisible line, and a fleet manned by three thousand to six thousand men in close pursuit may follow. If the fish bite freely the fishermen rarely stop to measure distances. While the decks are piled up with fish there is little space to use the theodolite, and under such circumstances the claim of the Provinces of a right to confiscate the vessels for such harmless and accidental trespass is one which our country will not readily tolerate.* Such trespasses rarely injure, and the world is benefited by the addition to its food. Until we have a treaty, let the nation make reparation for injuries sustained in such cases as one gentleman makes reparation to another, if he passes his boundary in the chase, but let the nation insist that the penalty shall not exceed the offence.

Does the forbearance of the maritime Provinces to insist upon claims to the exclusive use of great arms of the sea, in which our ancestors have fished for two centuries—such as the Strait of Canso, the great Bays of Fundy and Chaleurs—or their forbearance to seize and confiscate the vessels of one-quarter of our fishing fleet, for trespasses often involuntary, entitle them to the possession of our home market, for admission to which we impose heavy taxes upon the fisheries of France? If it does, let the Provinces have a full equivalent, but if they attempt again to seize vessels five or six miles from the shore, or even nearer, dismiss the crews who sail on shares, in a state of destitution, strip the vessel, and when she is acquitted, return her to the owners, on payment of costs, with her salt melted, her lines, sails and rigging gone, and the voyage ruined, and deny redress, the fishermen and the nation have a right to demand redress.† If the treaty

* Such confiscation is not sanctioned by the modern law of nations. It was abolished by France as a punishment as far back as 1790; is pronounced an outrage on the civilized world by Chief Justice Marshall in *United States vs. Conteman*, Peters' Reports, 7, page 86, cited as law by Philmore on *International Law*, vol. 3, page 743. Wheaton, 595.

† The Hon. Mr. Sabine gives me such a case, occurring prior to the Reciprocity Treaty.

expires and is not renewed, I would respectfully suggest that the Government should despatch a squadron to the fishing grounds, to see that our vessels are not molested, and that our fisheries are not destroyed. If they do not, we may well expect the fishermen who have been south under Farragut, to follow the advice of General Dix, if any one attempts to haul down the American flag.

Has England suffered from the Dutch, who have for centuries caught herrings on her coast? Have the Provinces suffered loss by the occasional capture of a few fish near their shores? If they have, let the nation recognize the claims, and assume the debt, and thus sustain the treaty, but the great fact stands out in bold relief, that under the treaty of reciprocity, for the last eleven years, the fisheries have been pursued outside and inside of the three mile line, the fishermen have enjoyed all their ancient rights, and no serious claims for losses have been made public. Should we admit the fish of the Provinces, at a duty of ten per cent., they will still have a decided advantage over the fish of France, while the small duty that protects the fishermen during the period of high taxes, will aid the revenue.

If a new treaty is made, the commissioners will doubtless examine the sources of revenue to which I have adverted, but if we ask concessions we must be prepared to concede also, and approach the subject in a kind and liberal spirit; and if we can obtain the more important objects of the treaty, the extension of the free list, the safety of the fisheries, the protection of our present revenue, and the reduction of expenses on our frontier, we can afford to resign a part of the income, to whose sources I have drawn attention, and still have a treaty beneficial to all the contracting parties, although it may leave the Provinces some reasons for a still closer union.

Under our present tariff, the productions of the Provinces, now free, will be subjected to the following duties:—

Bituminous coal, per ton,	\$1 25*
Leather,	35 per cent.
Timber,	20 per cent.

* In currency, \$1.80 per ton.

Manufactures of wood,	35 per cent.
Wool worth over 32 cts. a lb.,	12 cts. per lb. and 10 per cent.
Salmon, per barrel,	\$3 00
Mackerel, per barrel,	2 00
Dry fish, per quintal,	50 cts.
Wheat, per bushel,	20 cts.
Oats, per bushel,	10 cts.
Barley, per bushel,	15 cts.
Flour, <i>ad valorem</i> ,	20 per cent.

Under such duties it is safe to predict that our commerce will rapidly diminish. The duty on dry fish is the only low duty among them. That duty is less than ten per cent. at present.

REGISTRY AND COASTING TRADE.

There is a strong desire on the part, both of Canada and the maritime Provinces, to secure admission into the coasting trade, and the privilege of registry for their vessels in the United States. We have a vast coasting trade, and an important trade around the Cape with California, and they have no equivalent of equal value to offer, but we should at least allow our own citizens who have placed their vessels under the British flag, to avoid the cruisers of the enemy, to register them again under our own, and at the present time, when we are suffering from the loss of so many vessels, and coal freights between Philadelphia and Boston have risen from \$2 to \$4.75 per ton, it is an important question, whether we might not admit, at least for a brief period, a supply of vessels from the Colonies, at a duty not exceeding \$5 per ton, without injury to the ship-builders. This would replenish our stock of vessels and alleviate the charges for coal, now selling at \$15 per ton in the ports of Maine and Massachusetts. I am not, however, prepared to recommend such a step without further consideration.

It will be difficult to adjust all pending questions without a treaty, and such a treaty should secure to us the right of imposing taxes on articles imported from the Provinces, when we impose taxes on the same articles produced at home.

The treaty, too, must be one of equivalents, so that no other nations may claim a reduction of duty under any agreement to place them on the footing of the most favored nation. If we exclude our chief importations from distant nations from the free list, and require equivalents, they will see no favor in the treaty, and the treaty might provide that any article for which such claim shall be established may be stricken from the free list.

There are a few opponents of a treaty who fear that a new treaty with the Provinces may tempt our citizens to cross the lines and establish their mills and manufactures in Canada. It is doubtless true that we at this moment tax production and locomotion most severely; that the amount of our imposts on manufactures and freight, with the state of our currency, deter our inhabitants from building ships, steamers, mills and houses, of which there is, at this moment, a great deficiency.

But the return to specie payments is already foreshadowed, and there is reason to hope that the able commissioners who have, with indefatigable industry, examined the sources of our revenue, will soon recommend the removal of all charges on production, will liberate entirely our coal and iron from internal duties, and adopt the recommendation of our President, in his late message to Congress, to remove all taxes upon railroads. If they throw, as we may well presume, half our taxes upon cotton, liquors and tobacco, and the greater portion of the residue upon the luxuries we import, if they tax licenses, stamps, petroleum, lumber, banks and dividends, the taxes upon our farms and mills will be so light, and our climate, soil and capital be found so much superior to those of the Provinces, that we shall tempt their citizens to emigrate.*

If, under the treaty, our commerce with the Provinces has, in twelve years, increased threefold, and in that commerce the tonnage arriving and departing from our ports exceeds 6,600,000 tons, if in this tonnage we have the preponderance, if our country has made rapid progress both in population and wealth, is there reason to dread the operation of a new treaty more favorable to our own productions than the treaty expiring?

* It is reported that out of 20,000 emigrants from Europe to Canada in 1865, 18,000 have come into the United States.

COMMISSIONERS.

The commissioners to negotiate a new Treaty of Reciprocity with Great Britain, should be men who are conversant with commerce, the fisheries and treaties, and men who will leave no questions for the future.

We owe to John Adams, of Massachusetts, the incorruptible patriot, the founder of our navy, the treaty of 1783, which secured the fisheries. Although his colleagues were lukewarm, he appreciated their value; and although his native State was exhausted, and owed debts that exceeded the value of her property, he told the British commissioners he would fight on until our rights were admitted. His treaty preserved them entire, as our fathers held them.

At the Treaty of Ghent, in 1814, the treaty of '83 was considered the basis of our rights—the quitclaim deed of Great Britain. Our commissioners took the ground that we should consider all the rights it granted established, and Great Britain acquiesced. But a few years afterwards Great Britain denied those original and fundamental rights we had won by the sword and treaty, which she had once abandoned, and then recognized as our own; she told us we had resigned them by the Treaty of Ghent. She molested our fishermen and denied them shelter in her ports. We were obliged to treat again. A convention was made with her by Rush and Gallatin in 1818, and to secure shelter, and under the pressure of unjust claims, they resigned our right to fish on certain shores, within three miles of the coast, inlets, harbors and bays, stipulating that we might enter those inlets, harbors and bays for shelter from storms or for repairs. For many years Great Britain acquiesced in our construction, but subsequently set up a new construction, and seized our vessels, molested our vessels, and our fisheries, instead of keeping pace with our national progress, actually declined a third, and we were thus compelled to fight or make another treaty—the Treaty of Reciprocity.

The value of our fisheries was appreciated in the early days of the Republic. The "Federalist" speaks of our three great rights—the right to the lakes, the right to the rivers, the right to the fisheries.

It has been suggested that we may regulate our intercourse with the Provinces by concurrent legislation and dispense with a treaty, and this suggestion must be treated with respect, as it might enable us to alter our duties. But how are we to legislate in concurrence with five different Provinces, each of which may repeal to-morrow the act of to-day?—Provinces whose interests are different and sometimes conflicting?—who may require months, and possibly years, for their union unless we accelerate it by refusing a treaty? One is absorbed in the fisheries, another in agriculture, another in commerce and mines, another in lumber and ship-building, while a fifth has little to do with mines, and still less with fisheries, but is devoted to canals, railways, forests and agriculture. One cares little for the three mile line which encircles some Provinces; others deem it important, and the great shoals of mackerel may cross the line of three Provinces in a day. One Province controls the mouth of the St. John, which flows through the land of Maine and Massachusetts; another the St. Lawrence. One has free ports on our borders, and no charges for lights or anchorage; others oppressive charges for lighthouses, pilotage and anchorage. With proper reservations in a new treaty we may provide for future duties, or for the termination of the treaty itself on six months' notice; and if England perseveres in her refusal to do us justice, and compels us to make reprisals on her commerce for injuries done to our own, and war ensues, it will terminate the treaty, unless we neutralize the rivers of the Provinces. If we have other questions to settle with England, will not the adjustment of one pave the way for the adjustment of all?

BRITISH TREATIES.

By the Treaties of 1783 and 1814 the boundary line was to run from the source of the St. Croix, to the north-west angle of New Brunswick, then Nova Scotia, and thence by the highlands that divide the waters running into the sea, from those that flow into the St. Lawrence.

But Great Britain subsequently discovered that these highlands came near Quebec, and a distinguished surveyor told me at Quebec in 1838, that England would never allow us to come so near their chief fortress and the great highway of

Canada. Such was the result. England could never find the north-west angle of New Brunswick, although the line between Canada and that Province was discoverable and has since been discovered, and the line running north from the sources of the St. Croix was determined, and those lines, protracted, necessarily intersect. Regardless of this, England put forth the pretension, that the Highlands we claimed severed the waters of the St. Lawrence from those of the St. John, and that it did not run into the sea, but into the Bay of Fundy, although most of the rivers of Maine pass through bays on the way to the sea.

By such constructions, by great urbanity, and our desire for peace, Lord Ashburton obtained the territory in dispute.

By this Ashburton Treaty, Maine and Massachusetts were to have the free navigation of the St. John River for their timber on its upper waters, but New Brunswick, with the express or implied sanction of Great Britain, deprived us of the right, guaranteed by treaty. She exempted, as Mr. Sabine, secretary of the Boston Board of Trade, informs me, her lumbermen from the license money previously paid on Crown lands, and in place of it imposed an export duty on American and British lumber, thus exacting a tax nearly or quite equal to the value of the British timber, as it stood in the Crown lands of the Province.

Mr. Everett urged its remission, but failed to obtain it, and on his return stated to a gentleman, from whom I receive the information, that Mr. Calhoun, of the South, then in office, instructed him to press no further for a remission. Under the Ashburton Treaty of 1841, we resigned also British Columbia, including the gold mines of Frazer's River, possibly within our lines, and Vancouver's Island, in part, south of 49 degrees—to a large part of which our right, was conclusive, and now, in construing that treaty, Great Britain wishes to deprive us of all right to the main channel and the islands between such channel and the main.

Then we made the Reciprocity Treaty. In making it we were assured that Great Britain and the Provinces were inaugurating the system of Free Trade, that the duties on our products were low, and we could pay in goods for the breadstuffs and raw material of Canada, and we in good faith executed the treaty.

It took effect March 17th, 1855, as before stated, and Canada with the implied consent of Great Britain, contrary to the understanding of the negotiators, began to raise her duties. By 1859 they were generally advanced.

Again, by this treaty the citizens of the United States were to navigate the St. Lawrence and British canals as freely as British subjects, but under this treaty, the citizens of the United States, who passed through the Welland Canal to the American ports of Oswego and Ogdensburg, have been compelled to pay ten times the tolls that are paid by the Provincials and others who passed down to the British ports of Montreal and Quebec by the canals of Canada.

Again, in the importation of foreign goods into Canada, those imported by the St. Lawrence or Grand Trunk Railway, have been charged a lower *ad valorem* duty, than those which came *via* Boston or New York.

It is to be hoped that we shall hereafter, in making treaties with the Provinces and Great Britain, cover the entire ground, and make treaties that admit of but one construction, and do our country justice.

If Great Britain desires to propitiate this country after all that has occurred, would it not be her true policy to cede to us a portion of her remote territories, valuable to us but of little value to her. Were she to cede to us Vancouver's Island, and British Columbia, so important to our Pacific coast, and so remote from England, and settled in great part by our own citizens, might she not easily bring our claims to a peaceful solution, and would not this be preferable to a specie payment or reprisals for the ravages of her cruisers. Might she not thus remove the precedent of the Alabama, so dangerous to her own commerce?

She has of late reduced her estimate of the value of foreign colonies and advised us to divide, and may she not be tempted to resign Western Columbia and a distant island, if she could thereby retain our commerce and avert the *ultima ratio regum*.

I respectfully submit this to the consideration of the Government.

Great Britain could afford to give Austria such a precedent for resigning Venice, and thus induce Europe to promote trade by reducing its standing armies. I assume, however, that Great

Britain will conclude to do us justice and will unite with the Provinces in making an equitable treaty of reciprocity, under which our seaboard States to which the Provinces send most of their animals, coal, coarse grains and timber, may pay for them as they pay for produce from our Western States, with their varied manufactures.

In conclusion allow me to suggest the policy of adopting as a basis for a new treaty with Great Britain and the Provinces, the following provisions, or as many of them as can be obtained :—

First. That neither party shall establish or maintain either in the Provinces or on the waters that flow into the Gulf of St. Lawrence, or within fifty miles of the same, any free port whatever.

Second. That each party shall make all reasonable exertions to discountenance and punish illicit trade between each of the Provinces and their vessels and the United States, by allowing no shipments except by proper manifests and documents, and with reasonable security against smuggling.

Third. That each party may impose any duties and imposts whatever upon spirits, malt, malt liquors, wines, cordials, tobacco and its products, silks, satins, laces, velvets, sugar and molasses from the sugar cane, coffee, tea, cocoa, spices, broadcloth, and cotton cloth worth more than one dollar per pound, with this proviso, that each party shall impose duties of at least sixty cents per gallon on spirits and cordials, of at least fifteen cents per pound on manufactured tobacco and tea, and four cents per pound on coffee, spices and cocoa, and two dollars per pound on silks, satins, velvets and lace, imported into either country.

Fourth. That the schedule of articles to be imported free, be changed as follows, viz. : the articles of cotton, lumber, fish and coal to be taken therefrom and the additions made which are suggested in the annexed draft of a treaty.

Fifth. That specific duties of \$1 per thousand, board measure, on lumber, ten per cent. on coal and fish be imposed. That no duties exceeding twenty per cent. be imposed on any products of each country not enumerated.

Sixth, That any citizen of either country may take a patent or copy-right in the other by one process not more costly than the process here.

Seventh, That goods received in Canada, through or from the United States in original packages, shall be valued in gold for duty at the cost in the country where they were produced, as if they had come direct, and *vice versa* on importations through Canada.

Eighth, That no diminution shall be made on tolls on Canadian canals or railways in favor of vessels or goods passing between Lake Erie and points below Ogdensburg, as against parties using the Welland Canal only. That no export duties or charges of any kind be imposed on American timber from Maine, descending St. John River.

Ninth, That navigation for vessels drawing 12 to 14 feet each be secured through Lake St. Clair around the Falls of Niagara, down the St. Lawrence and into Lake Champlain, for both countries, and that the canal from Lake Michigan to the Illinois River be deepened.

Tenth, That vessels built in either country may be sold and registered in the other, on payment of a duty of five dollars per ton, for a limited period.

Eleventh, That the treaty be extended to Newfoundland, Western Columbia and Vancouver's Island.

Twelfth, And if possible, that the rights to the fisheries conceded by Treaty of 1783 and re-established by Reciprocity Treaty, be made perpetual. And if as an inducement for this treaty and in settlement of Alabama claims we can obtain a cession of Vancouver's Island or other territory, it will be a consummation most devoutly to be wished for. Such a treaty would be indeed a treaty of reciprocity; under it our exports to the Provinces would rapidly increase. The export of our manufactures, which from 1856 to 1863 dwindled, under onerous duties, from seven and one-half to one and one-half million dollars, would doubtless soon recover the ground it had lost, and a growth of eight or ten million in our exports would diminish the call for specie to balance our account and give our merchants facilities to make further purchases in the Provinces. Canada under such a treaty would doubtless prosper. Return freights from this country would reduce the freight of bread-

stuffs, the ships we should receive from the Provinces would swell our marine, instead of that of England and contribute something to the National revenue, without injustice to our own ship-builders.

Under such a treaty there would be a fair rivalry between New York and Canada for the improvement of their respective canals, and if Great Britain should aid Canada in opening ship canals from Ogdensburg to the city of Montreal and Lake Champlain, and it should be the policy of our country to carry a ship canal around the Falls of Niagara, New York might be stimulated to connect Lakes Ontario and Champlain with the Hudson by ship canals or railways like the Reading railway, with a regular descent to the deep waters of the Hudson and the Tunnel route to Boston. Should such measures be adopted we may place our trust in the advantages which climate, and open seas, and safe navigation and harbors, rarely closed by ice, give to our great seaports, and may safely rely upon the future of our country.

Most of the views taken in this Report have been confirmed since it was written by a conference with some of the most able and influential men in the Provinces, and there is no reason to doubt that a treaty can be negotiated more satisfactory than that repealed.

There is reason to believe that most of our productions may be placed on the free list, that the free ports may be discontinued, that duties imposed for revenue may be assimilated, and discriminating tolls and duties, if any now remain, be discontinued, and possibly some revenue drawn from several of the important staples of Canada. And after the conference I have held, it is but just to Canada and her ministers to say that the duties imposed by Canada may be in part ascribed to unfavorable seasons between 1856 and 1863, and to the pressure of a debt of seventy millions incurred in great part for public improvements, still unproductive, and to an extreme solicitude to develop trade and revenue proportionate to her large expenditure.

During this conference the idea of extending the treaty for another year to give time to negotiate and to avoid a collision in the fisheries was suggested. It will be difficult to have a new

treaty ratified by all the parties before the 17th of March, 1866. And I respectfully recommend that power should be given to the President to extend the Treaty of Reciprocity for a single year if Canada shall before the 1st of April next discontinue her free ports and check illicit trade by raising her duties on spirits to the point at which our Revenue Commissioners shall recommend our Government to place it, and shall repeal her duties on the articles named in the annexed draft of a treaty. Such a repeal she is disposed to make, and it would be an earnest of a better treaty.*

I submit with this Preliminary Report a series of tables, some valuable documents, and the draft of an Act for the temporary extension of the treaty.

I have the honor to be, very respectfully,

E. H. DERBY,

Commissioner of the Treasury Department.

BOSTON, Mass., Jan. 1, 1866.

* The St. Lawrence, for more than nine miles below Montreal, to a width of three hundred feet, has been deepened seven feet, at a cost estimated at less than \$1,000,000 for moving five million yards of earth. Less than one-eighth of the Lake freight goes down to Montreal. For ten years, between 1845-1855, the charge for freight from Montreal to Liverpool, averaged twice the charge from New York to the same port.

APPENDIX.

AN ACT

TO PROVIDE FOR THE TEMPORARY RENEWAL OF THE TREATY OF RECIPROCITY WITH GREAT BRITAIN AND THE BRITISH PROVINCES OF NORTH AMERICA.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled: SECTION 1. That the President of the United States is hereby authorized, by and with the advice and consent of the Senate, to enter into a Treaty with the United Kingdom of Great Britain and Ireland, and with each and all of the British Provinces of North America, either severally or in their aggregate capacity, for the extension of the Treaty between said parties and the United States, to regulate the trade between said Provinces and the United States, which was ratified June 5th, 1854, for the further term of one year, from the 17th day of March, A. D. 1867, when the same shall terminate.

SECTION 2. Such extension shall not be made until the Province of Canada has repealed all duties and taxes whatever on the following products of the United States, that during such extension shall be imported into Canada, or shall be held in bond when such extension shall take effect, viz.: Salt, cars, locomotives, vehicles of all kinds, machinery, furniture, tools, implements, soap, starch, boots, shoes, leather, horse-shoes and horse-shoe nails, harnesses, tacks, brads, watches, music and musical instruments, clocks, tin and wooden ware, mousseline de laines, coarse shawls, satinets, and sheetings and shirtings worth less than one dollar per pound, and has raised her internal tax and duty on spirits to at least seventy-five cents per gallon, wine measure, and discontinued her free ports on Lakes Huron and Superior.

SECTION 3. Said Treaty for extension shall also provide that the United States may impose any internal taxes on the productions of the Provinces which they levy upon their own products of the same kind.

SECTION 4. The President of the United States is hereby authorized to appoint two persons, of suitable character and ability, commissioners or envoys, to negotiate a Treaty with said United Kingdom and with said Provinces, either jointly or severally, to regulate the commerce and

navigation between the respective territories and people of said Province and the United States, on terms reciprocally beneficial.

SECTION 5. It shall be the duty of such commissioners to provide, if possible, for the permanent security of the fisheries of the United States, to secure the free interchange of the chief products of art and manufacture, as well as the products of the forests and agriculture, and other products, between said Provinces and the United States, to secure, if possible, the discontinuance of any free ports that may endanger revenue, and the assimilation of duties or articles taxed by the two countries, and the removal of all charges for lights and compulsory pilotage, and all discriminating tolls and duties, and for improved navigation between Lake Michigan and the Mississippi around the Falls of Niagara and between Lake Ontario, Montreal and Lake Champlain.

SECTION 6. A suitable compensation for said commissioners, and for their clerk hire, office rent, and other expenses, not to exceed in the aggregate _____, shall be fixed and determined by the Secretary of the Treasury.

SECTION 7. All articles produced in any of the Provinces, which, under the provision of the Treaty for extension, if made, shall be freely admitted into Canada, from the United States, shall, during the year of extension, be freely admitted into the United States, from Canada, if produced in that country.

TABLES.

Tonnage entered inward from United States in all the Provinces of British North America.

YEARS.	Tons.		
	U. States.	British.	Total.
1816,	75,807	18,378	94,185
1820, '21, '22, average,	66,029	10,464	76,593
1830,	54,633	20,755	75,388
1840,	357,073	401,676	758,749
1850,	994,808	972,327	1,967,135
1864,	1,665,494	1,446,347	3,112,541

Imports into the Provinces of British North America in different years.

DATE.	From Great Britain.	From United States.	Total.
1840,	\$15,385,166 00	\$6,100,501 00	\$21,485,667 00
1849,	11,346,334 00	8,842,520 00	19,688,854 00

Exports and Imports of the same in Commerce with the United States.

DATE.	Exports to United States.	Imports from same.
1860,	\$4,989,703 00	\$6,623,214 00
1861,	4,417,476 00	8,383,755 00
1862,	4,046,843 00	8,236,611 00
1863,	5,207,420 00	11,382,311 00
1864,	7,947,897 00	12,328,312 00

Aggregate Tonnage of the Provinces of Canada, New Brunswick, Nova Scotia, Newfoundland, and Prince Edwards Island, at various periods since 1800.

1806, tons,	71,943	1846, tons,	399,204
1830, "	176,040	1850, "	446,935
1836, "	274,738		

Tonnage of new Ships built in the above Provinces in several years since 1830.

1832, tons,	33,778	1850, tons,	112,787
1841, "	104,087	1862, "	109,212
1849, "	108,038		

Tonnage owned in Great Britain, built in the Provinces in 1847.

Built in Canada,	154,930
Built in Nova Scotia,	103,319
Built in New Brunswick,	228,368
Built in Prince Edwards Island,	56,079
Built in Newfoundland,	5,631

CANADA.

DATE.	ENTRIES FROM CANADA IN THE UNITED STATES.		CLEARANCES TO CANADA FROM UNITED STATES.	
	American Tonnage.	Foreign Tonnage.	American Tonnage.	Foreign Tonnage.
1851,	1,364,390	1,047,628	906,988	770,450
1860,	2,617,276	658,036	2,678,505	896,124
1861,	1,996,892	684,879	2,025,670	731,123
1862,	2,487,373	683,411	2,398,924	742,732
1863,	2,307,293	743,136	2,181,065	987,797
1864,	1,411,913	959,049	1,429,347	1,143,609

Maritime Provinces—Commerce with United States.

DATE.	ENTRIES.		CLEARANCES.	
	American Tonnage.	Foreign Tonnage.	American Tonnage.	Foreign Tonnage.
1860,	184,062	475,051	291,812	599,430
1861,	196,709	475,051	297,172	509,928
1862,	246,821	397,702	292,449	352,391
1863,	213,251	420,961	260,280	428,662
1864,	254,281	487,908	339,901	581,304

Imports into Canada from abroad.

DATE.	By St. Lawrence.	By United States.	Total.
1850,	\$8,540,000 00	\$7,404,800 00	\$15,945,600 00

Exports from Canada.

DATE.			
1850,	\$7,474,496 00	\$5,813,500 00	\$13,287,996 00

Value of Breadstuffs and other Articles exported to Canada from United States, in different years.

DATE.	Breadstuffs.	Other Articles.	Aggregate.
1856,	\$3,880,098 00	\$17,003,143 00	\$20,883,241 00
1857,	3,418,066 00	13,156,849 00	16,574,895 00
1858,	4,198,282 00	13,830,972 00	17,029,254 00
1859,	3,510,638 00	15,430,154 00	18,940,792 00
1860,	2,913,139 00	11,169,975 00	14,083,114 00
1861,	5,172,588 00	9,189,270 00	14,361,858 00
1862,	5,416,853 00	7,425,651 00	12,842,504 00
1863,	9,588,390 00	10,310,328 00	19,898,718 00

In the above columns are included,—

1860, specie, . . .	\$14,444 00	1862, specie, . . .	\$2,530,297 00
1861, " . . .	863,308 00	1863, " . . .	4,651,679 00

Of above breadstuffs the following amount was exported by St. Lawrence :—

1860,	\$1,846,462 00	1862,	\$5,320,054 00
1861,	3,103,153 00		

Coarse Grains exported from Canada to the United States. From Official Returns.

DATE.	Oats, bush.	Value.	Barley, bush.	Value.
1860,	6,788,351	\$4,182,856 00	—	— —
1861,	3,654,380	1,509,277 00	—	— —
1862,	1,671,223	483,862 00	2,090,279	\$1,089,589 00
1863,	2,563,323	1,050,803 00	1,810,589	1,509,978 00
1864,	9,549,994	2,960,737 00	2,814,289	2,904,124 00

Value of Manufactured Articles of the United States exported to Canada, and paying duties.

1850,	\$264,451 00	1861,	\$3,501,642 00
1859,	4,185,516 00	1862,	2,596,930 00
1860,	3,548,114 00	1863,	1,510,802 00

CANADA.—Vessels built.

1832, tons	. . . 4,414	1859, tons	. . . 17,036
1838, "	. . . 6,916	1860, "	. . . 23,993
1841, "	. . . 20,707	1861, "	. . . 33,187
1847, "	. . . 38,489		

CANADA.—Entries and Clearances of Ships via St. Lawrence Gulf and River. Tonnage inward and outward by sea at Quebec, for several years.

DATE.	Inward.	Outward.	Total.
1844, tons,	451,142	453,894	905,036
1845, "	576,541	584,540	1,161,081
1846, "	568,225	574,372	1,142,597
1847, "	479,124	489,817	968,941
1848, "	452,436	457,430	909,866
1849, "	465,088	481,227	946,315
1850, "	464,804	494,821	960,625
1851, "	533,821	586,093	1,119,914

Tonnage, via St. Lawrence, to and from the Sea.

DATE.	Inward.	Outward
1857,	748,425	731,367
1858,	613,813	632,646
1859,	641,662	640,571
1860,	831,432	821,791
1861,	1,087,128	1,058,667

CANADA.—Imports and Exports in Commerce with the World.

DATE.	Imports.	Exports.
1850,	\$15,945,600 00	\$13,287,996 00
1851,	24,006,028 00	11,341,728 00
1859,	33,555,161 00	24,776,981 00
1860,	34,441,621 00	34,631,890 00
1862,	48,600,633 00	31,679,045 00
1865,	44,620,469 00	42,481,151 00

Imports and Exports in Commerce with the United States.

DATE.	Imports.	Exports.
1860,	\$14,083,114 00	\$18,861,673 00
1861,	14,361,858 00	18,645,457 00
1862,	12,842,504 00	15,253,152 00
1863,	19,888,718 00	18,813,840 00
1864,	16,658,429 00	30,974,118 00

Statement of the Tonnage on the Canals of Canada for four successive years, 1860 to 1864.

<i>Welland Canal.</i>	
1860, tons of freight up and down,	944,034
1861, " " "	1,020,483
1862, " " "	1,243,774
1863, " " "	1,141,120
<i>St. Lawrence Canal.</i>	
1860, tons of freight,	733,596
1861, " "	886,900
1862, " "	964,394
1863, " "	895,133
<i>Chambly Canal.</i>	
1860, tons of freight,	217,117
1861, " "	116,239
1862, " "	148,291
1863, " "	253,319

Tonnage by Canadian Canals.—Movement of Welland Canal.

1859, tons transported,	709,611
1860, tons transported,	944,884

Comparative tonnage of American and Canadian vessels, passing through the Welland Canal in 1863:—

3,474 American vessels, tons,	808,289
3,425 Canadian vessels, tons,	521,808

Movement on St. Lawrence Canals.

1859, tons transported,	631,769
1860, tons transported,	733,596

Tonnage by Canadian Canals—Concluded.

Receipts in Montreal, by the La Chine Canal, in 1862, were,—						
Wheat, bushels,	.	.	.	.	.	7,779,727
Flour, equal to bushels,	.	.	.	.	.	3,861,935
Indian Corn, bushels,	.	.	.	.	.	2,691,261
Shipped,	.	.	.	.	.	11,262,728

Tonnage by Grand Trunk Railroad. Average movement in transit trade, via Grand Trunk, from England to Canada, from 1854 to 1864, \$4,500,000 per annum. Estimated earnings of Grand Trunk, 1865, \$6,200,000. Cost of line, \$82,000,000.

Coal imported from Maritime Provinces into the United States.

DATE.							Tons.	Value.
1856,	.	.	.	.	.	.	120,446	\$363,671 00
1857,	.	.	.	.	.	.	133,218	396,222 00
1858,	.	.	.	.	.	.	136,733	387,710 00
1859,	.	.	.	.	.	.	122,708	372,154 00
1860,	.	.	.	.	.	.	149,279	497,359 00
1861,	.	.	.	.	.	.	204,420	702,165 00
1862,	.	.	.	.	.	.	192,544	614,057 00
1863,	.	.	.	.	.	.	282,767	757,048 00
1864,	.	.	.	.	.	.	317,500	883,779 00

Freight from Pictou to Boston has averaged not far from \$2, in gold, per ton, during 1865; less than the freight from Baltimore to Boston.

NOVA SCOTIA.

DATE.							Imports.	Exports.
1829,	.	.	.	.	.	.	\$4,730,064 00	\$2,639,093 00
1832,	.	.	.	.	.	.	7,380,509 00	4,717,387 00
1838,	.	.	.	.	.	.	6,139,531 00	4,002,989 00
1843,	.	.	.	.	.	.	4,221,163 00	3,408,782 00
1848,	.	.	.	.	.	.	4,024,382 00	2,514,100 00
1861,	.	.	.	.	.	.	7,613,227 00	5,774,534 00
1862,	.	.	.	.	.	.	8,450,042 00	5,646,461 00

PRINCE EDWARDS ISLAND.

DATE.	Imports.	Exports.
1845,	\$121,937 00	\$70,204 00
1850,	630,475 00	360,465 00
1861,	1,040,675 00	815,570 00

NEW BRUNSWICK.—Shipping built in various years.

1833, tons,	17,837	1846, tons,	40,270
1836, "	29,643	1847, "	53,372
1838, "	29,167	1848, "	22,793
1839, "	45,864	1849, "	36,534
1840, "	64,104	1859, "	38,330
1843, "	14,550	1861, "	40,523

Exports and Imports of the Province of New Brunswick, at different periods, in its commerce with all places.

DATE.	Imports.	Exports.
1828,	\$3,089,188 00	\$2,397,704 00
1834,	3,740,601 00	2,778,738 00
1836,	5,997,777 00	3,122,952 00
1839,	7,263,378 00	3,032,536 00
1842,	2,503,473 00	2,330,899 00
1846,	4,972,876 00	4,256,462 00
1848,	3,021,158 00	3,068,155 00
1849,	3,330,847 00	2,887,017 00
1851,	4,852,440 00	3,780,105 00
1862,	6,199,701 00	3,856,538 00

Duties, in 1850, on anchors, canvas, cordage, cables, copper bolts, seines, nets, sails, rigging and tar, one per cent. Tools, bread, biscuits, &c., ten per cent. Boots, shoes, vehicles, clocks, chairs, brooms, musical instruments, wooden ware, matches, &c., 20 per cent.

Other articles, in part free, in part under a small duty.

Exports from Newfoundland.

1763, quintals of fish, .	386,274	1830, quintals of fish, .	948,643
1785, " .	591,276	1835, " .	712,588
1705, " .	600,000	1837, " .	524,696
1805, " .	625,919	1840, " .	915,795
1815, " .	1,180,661	1841, " .	1,009,725
1820, " .	899,729	1848, " .	920,366
1825, " .	973,464		

United States Vessels engaged in the Fisheries, exclusive of the Whale Fishery.

1815, tons . . .	26,510	1845, tons . . .	91,238
1820, " . . .	60,812	1850, " . . .	143,758
1825, " . . .	70,626	1855, " . . .	124,552
1830, " . . .	97,500	1860, " . . .	162,763
1835, " . . .	137,800	1862, " . . .	203,459
1840, " . . .	104,300	1863, " . . .	168,000

The vessels are sailed in shares, and all are interested in the voyage.

The owners provide vessel, tackle, stores and outfit, and receive half the fish taken; each man claims half the fish he takes.

The annual sum paid out by the owners, including payments of shares to the men, repairs and renewals, and all disbursements, are computed to exceed \$80 per ton,—and as the business makes some returns on capital, we may estimate the gross produce for 1865, as above \$14,000,000.

In 1865, vessels in the cod-fishery are estimated to average from 800 to 1,000 quintals of dry fish. In the mackerel business, from 500 to 700 barrels. Dry fish are now worth \$8 to \$9 per quintal, and mackerel \$12 to \$15 per barrel.

Number of Vessels engaged in Cod and Mackerel Fishery, as estimated at the Register's Office, Treasury Department, November, 24, 1865, by J. A. GRAHAM, Assistant-Register.

1850,	2,680	1858,	2,877
1851,	2,591	1859,	3,044
1852,	3,262	1860,	3,168
1853,	2,996	1861,	3,666
1854,	2,627	1862,	3,815
1855,	2,418	1863,	3,196
1856,	2,414	1864,	3,000
1857,	2,460		

Fish and Products of the Fisheries, imported from the Maritime Provinces into the United States.

1856, . . .	\$1,935,960	1861, . . .	\$1,716,813
1857, . . .	1,867,259	1862, . . .	1,020,208
1858, . . .	1,744,704	1863, . . .	908,024
1859, . . .	2,150,420	1864, . . .	1,376,704
1860, . . .	2,116,412		

Estimate of the Fisheries of the United States for 1859, by Hon. L. SABINE, Secretary of Boston Board of Trade.

The tonnage alone is official. The sea and whale are estimated on official data. The shell, lake, river, &c., rest on some well ascertained facts.

Sea, as cod, hake, haddock, mackerel, halibut, pollock, and sea herring:—

Tonnage,*	175,306
Value of fish and oil,	\$6,730,000 00
Capital invested,	7,280,000 00

Tonnage, in whale fishery,	185,728
Capital invested,	\$23,850,000 00
Value of oil, bone, and sperm candles,	19,280,000 00

Shell, as oyster, lobster, turtle, clam, &c., &c., 5,325,000 00

Lake and River, Brook and Stream—say salmon, shad,

white fish, river herring, alewives, trout, pickerel,

&c., &c. 2,375,000 00

Fish taken purposely for manure, value, 260,000 00

Summary of Annual Products.

Cod, &c.,	\$6,730,000 00
Whale,	19,280,000 00
Shell,	5,325,000 00
Lake, river, &c.,	2,375,000 00
For manure,	260,000 00
Total,	\$33,970,000 00

* The official tonnage is less. The difference is added for boats employed in the shore fisheries, which are neither enrolled nor licensed.

ERIE CANAL.

Tonnage arriving at tide water by Erie Canal, from the Western States: In 1840, 158,148 tons; in 1845, 304,551 tons; in 1850, 773,858 tons; in 1855, 1,092,876 tons; in 1860, 1,896,975 tons; in 1862, 2,594,837 tons.

The revenues of Erie Canal were: For 1861, \$3,402,628.30; for 1862, \$4,854,989; for 1863, \$5,042,005. Revenue of Champlain Canal, \$163,000; tonnage, 658,000.

Between 1851 and 1854, the tolls were removed from the Central Railway; and the New York and Erie, Ogdensburg, Baltimore and Ohio, Grand Trunk, and Great Western Railways were completed. The tonnage of the Central, and New York and Erie lines was, in 1862, over 3,000,000 tons, and has since greatly increased.

Length, Dimensions and Lockage of Chief Canals of Canada.

The Welland Canal, between Lakes Erie and Ontario,—Length, 28 miles; locks, 28. Fall from Lake Erie, 334 feet. Locks, 180 feet by 27 feet; depth 10 feet. Admits vessels of 400 tons, drawing 9 feet.

St. Lawrence Canals.—Length, 44 miles. Locks, 27. Ascent from Montreal to foot of Lake Ontario, 222 feet. Depth in locks, 9 feet. Admit vessels of 300 tons. Vessels drawing 20 feet water, now ascend to Montreal; but, as the depth of canals is determined by that of Lake St. Clair, which does not admit vessels drawing over 9 feet, it is proposed to deepen these canals to 10 feet, and alter dimensions of locks to 250 feet length by 50 feet width, which will admit vessels drawing 9 feet, and of capacity of 750 tons.

The Caughnawaga Canal, which it has been proposed, in Canada, to construct from the St. Lawrence to St. John, at the foot of Lake Champlain, by one route requires five locks, by another, requires but two locks, and would be 36 miles long. It was proposed to have locks 230 feet long by 36 feet wide, and 10 feet water on the sills, admitting vessels of 850 tons.

From Whitehall, at the head of Lake Champlain, to West Troy, the distance is 67 miles; the lockage, 204 feet. The locks admit small vessels only.

As the summit level is but 54 feet above Lake Champlain, the lake may possibly be used as a summit level, and there are great facilities for a ship canal. It has been estimated that \$12,000,000 will carry ship canals and navigation from the St. Lawrence to the deep waters of the Hudson.

A ship canal from the St. Lawrence to Lake Champlain has been recommended to the Canadian Government by Messrs Young and Robinson, Chief Commissioners of the Public Works; also by Mr. W. H. Merritt, in his report upon the public works of Canada, and by a nearly unanimous vote of the House of Assembly of Canada. It has been recommended, also, by the Boards of Trade of Boston, Kingston, Montreal, and other cities.

The route has been surveyed by J. B. Mills, Esq., and by Messrs. Jervis, Swift and Child, Civil Engineers.

Such are the levels that a dam in the Hudson, at the Highlands, of 150 feet in height, would send back the stream to the St. Lawrence.

The estimates of Mr. Jervis for a ship canal between the St. Lawrence and Lake Champlain, ranged from \$3,500,000 to \$4,500,000. Mr. Swift's estimate was but \$2,083,000.

BOSTON.

The commerce of Boston, affected by the Treaty of Reciprocity, exceeds \$27,000,000 annually, viz :—Imports from and exports to maritime Provinces, \$6,000,000. Outfits and returns in deep sea fisheries, \$11,000,000. Imports of wool, grain, and animals, across frontier of Canada, and entered there, with returns, at least, \$10,600,000.

*Record of Smuggling Cases since April 1, 1865, at Detroit, Michigan.
Furnished by J. B. BROWN, Esq., U. S. Assistant District-Attorney.
December 3, 1865.*

Number of arrests made,	120
of indictments found,	94
of convictions,	38
of indictments undisposed of,	55
of acquittals,	None.
Amount of fines imposed and paid,	\$1,925 00
of costs imposed and paid,	553 80
of fines imposed, yet unpaid,	3,335 00
of fines imposed and remitted by President,	500 00
Number of libels filed,	38
Amount of personal property seized and forfeited, about	\$12,000 00

ANNEXATION.

[Extract from Speech of J. JOHNSTON, Esq., of Milwaukee, at Detroit Convention, 1865.]

There are those who think that, while the closest commercial intercourse with Canada is desirable, yet hope, by stopping that intercourse for a few years, to compel the Canadians to sue for annexation. Vain delusion! Every link between the United States and the Provinces that is severed, tends to strengthen the connection between the latter and the mother country. Annexation will never be brought about by force in matters of trade. Why, the independent existence of this great country arose from the attempts of Britain to coerce the Colonies in this very respect. No, sir, if we wish to annex the Provinces, we have to assimilate them, by unrestricted intercourse, to our habits and our manners of action and feeling—we have to Americanize them. That will assuredly be done far sooner by reciprocal trade and by Conventions like this than by non-intercourse. Every railroad that is built, every telegraph that is erected, every ship that passes between the two countries, tends to bind them closer in the bands of brotherhood.

The opponents of reciprocity tantalize us by parading the millions of revenue which we would have obtained from the articles now being imported from the Provinces, had they not been made free by the Treaty. They forget to tell us that this great trade would not have existed had it not been for the Treaty; and even had it existed, and a large revenue accrued from it, we would have been the persons who would have enjoyed the privilege of paying the duties, and not the Canadians, for it is the consumers of commodities who pay the imposts upon them. But, think you, would the people of these Northern States be more able to pay their taxes after this immense and profitable trade is destroyed than they are now?

[Extract from the Speech of Hon. JOSEPH HOWE of Nova Scotia, before Detroit Convention.]

No considerations of finance, no question of balance for or against them, upon interchanges of commodities, can have any influence upon the loyalty of the inhabitants of the British Provinces, or tend in the slightest degree to alienate the affections of the people from their country, their institutions, their government, and their Queen. There is not a loyal man in the British American Provinces, no man worthy of the name, who, whatever may happen to the Treaty, will become any the less loyal, any the less true to his country on that account. There is not a man who dare, on the abrogation of the Treaty, if such should be its fate, take the hustings and appeal to any constituency on annexation principles throughout the entire domain. The man who avows

such a sentiment will be scouted from society by his best friends. What other treatment would a man deserve who should turn traitor to his sovereign and his government, and violate, for pecuniary advantage, all obligations to the country which gave him birth? You know what you call Copperheads, and a nice life they have of it. (Laughter.) Just such a life will the man have who talks treason on the other side of the lines. (Applause.) The very boy to whom I have alluded as having fought manfully for the Stars and Stripes, would rather blow his own father's brains out than haul down the honored flag under which he has been born—the flag of his nation and of his fatherland.

[Extract from Speech of G. H. PERRY, C. E., of Ottawa, Canada West.]

The blessings which unrestricted commercial intercourse would bestow upon both nations are incalculable. As friends and neighbors, it would improve the good understanding which should exist between people having so many interests in common; and it would prove a blessing to the vast mass of the overpeopled countries of Europe.

Hostile tariffs will not produce any of those effects which the advocates of protection desire. They will not develop any of the resources of the Western States, nor will they add to the wealth or happiness of the vast mass of the people, or the prosperity of the general commerce of the country. They will not bring about the consummation so earnestly desired by your extreme politicians, of annexation.

Content with our lower political life and greater personal freedom, we leave to the aspirants after new nationalities the higher political life they covet, nor do we regret the accompanying concomitants, in our content with our own condition.

OCEAN STEAMERS.

[Extract from the Speech of DUNCAN STEWART, Esq., at Detroit.]

I consider that, with twelve feet six inches to fourteen feet water, down the St. Lawrence, it will always be more profitable to transfer at Montreal or Quebec, than attempt to cross the ocean with lake-going steamers. The reason of this is, that in reaching Quebec, they need not put on board fuel for more than a run of two hundred miles at a time, thus saving a vast amount of freight room; whereas, in crossing the ocean, they must put fuel on board for the run of twenty-five hundred miles, and a surplus to cover contingencies. It would be unwise to have that surplus less than enough to run three thousand miles. Every gentleman who has any experience in this business will see at once that it would take fifteen times more tonnage-room for fuel to cross the ocean than it would take to run down

the river. In going down the river, there would be no need to have over twenty-five tons of coal on board at any one time, including the surplus, because twenty tons would be sufficient to run a screw steamer of one thousand tons cargo capacity, with a low-pressure engine, two hundred miles, leaving nine hundred and seventy-five tons for cargo and twenty-five tons for coal—only two and one-half per cent. of the carrying capacity being reserved for fuel; whereas, for the ocean voyage, it would be unsafe to leave port with less than two hundred and fifty tons of coal, or twenty-five per cent. of the carrying capacity—leaving only seven hundred and fifty tons for freight room. I think this clearly demonstrates the economy of a transfer of cargo at either Montreal or Quebec.

FISHERIES IN GULF OF ST. LAWRENCE.

[Extract from Letter of Messrs. DEAN and LAW, dated Charlottetown, P. E. I., July 3, 1865, read at Detroit Convention.]

For some years previous to the time the Reciprocity Treaty went into effect, the Americans fishing were embarrassed in consequence of the three mile limit, and the construction put upon it by Colonial officers, that it meant three miles outside of a straight line from headland to headland, which, in many localities, where the buoys were deep, would make them many miles off, and the continual harassing and capturing of our vessels—so much so as to nearly ruin the business as a whole—the tonnage engaged fast depreciating, and at the time the Treaty went into effect the fishing fleet in the Bay and Gulf of St. Lawrence was much smaller than it had been some years before. We think that, for one or two years previous to the Treaty, there could not have been more than two hundred and fifty sail of American vessels in these waters, averaging seventy-five tons each; value, three thousand dollars each, and manned by eleven men each, with an average catch of mackerel of two hundred and seventy-five barrels each; estimated value, twelve dollars per barrel, gross, and ten dollars net—Gloucester having a majority of the fleet, being most daring in the pursuance of her business. In the last two years, we think, there have been employed six hundred vessels; average tonnage, ninety each; value, five thousand dollars each, and manned by fifteen men each, with an average catch of five hundred and twenty-five barrels of mackerel; estimated value, at the time of landing, fourteen dollars and a half per barrel, gross, and twelve dollars net.

BRITISH CRITICISM.

SEMI-OFFICIAL.

[Extract from "London Morning Post," March 12, 1866.]

In the presence of subjects possessing more immediate interest it has probably escaped the attention of the general public, that on Saturday next, by the terms of the notice given by the American Government, the Reciprocity Treaty, regulating the fisheries and trade as between that country and the Provinces of British North America, will expire. The subject has been so little discussed in England, and the importance of the treaty, as affecting our relations with the United States, is so little appreciated, that it will not be out of place to give some account of the various phases through which the question has passed, as well as of its present position. It is to be observed that the important part of the question—and, indeed, the only part upon which difficulties can arise—is that which relates to the right claimed by Americans of fishing in the seas adjacent to the Provinces; and the nature and extent of those rights, which have hitherto been regulated by the moribund treaty are such, and are so differently regarded both by Americans and the Provincials, as to have led to a long course of disputes and conflicting claims, which, it is to be feared, will be now re-opened, and which, unless they are treated on both sides with a disposition to make mutual concessions, in accordance with the liberal spirit of the times, will do more to endanger the friendly relations between the two countries, than any question that has of late years arisen, not excepting even the cases of the Trent and the Alabama.

When negotiations were opened at the close of the American War of Independence, one of the points most strongly insisted upon by John Adams was the recognition of the right of Americans to fish in all the seas adjacent to their country. So much importance did he attach to this right, that he declared he

would rather "continue the war forever" than abandon it, and the treaty of 1783 accordingly embraced a clause recognizing the right of the inhabitants of the United States to fish "wherever they had fished before." The question was re-opened at the conclusion of the second American war, and the right claimed received for the first time a limitation by the treaty signed on the 20th October, 1818. Messrs. Rush and Gallatin, the commissioners on behalf of the United States, while retaining the right of entering bays and creeks for the purpose of repairs and of curing their fish and drying their nets, and also the general right to fish, abandoned its exercise within the limit of three miles from the coasts, bays and creeks of the Provinces. This state of things continued for some twenty years, but, in 1841, complaints began to be made of encroachments and trespasses by American fishing boats, and, among other things, it was asserted that they had transgressed the treaty by fishing within the three-mile limit in the Bays of Fundy and Chaleurs, and in the Straits of Canso. It was contended by the Provincials, that in the case of the Bays of Chaleurs and Fundy, (the latter of which measures sixty miles across,) the three-mile limit must be measured, not from the coast itself, but from a line drawn across the bay from headland to headland, inside which it was asserted no American fisherman should be allowed to come. From this construction, which was eventually endorsed by the law officers of the English Crown, (though in terms which seem to make it certain that they had not even read the treaty,) arose constant disputes, which at last grew intolerable, and, on the fifth of June, 1854, was signed at Washington the convention now about to expire, known as the Reciprocity Treaty. By this, in addition to the powers claimed and admitted by the treaty of 1818, liberty was given to the Americans to take fish throughout the seas contiguous to the Provinces, without any restrictions as to the distance from the shore. In return for this, British subjects were allowed the same advantages on all American shores north of the thirty-sixth parallel of latitude; and, by Article 3, a reciprocal free list was established, which opened the markets of each country to the most important products of the other, but of which, from the nature of the case, the great advantage remained with the Provincials. The advantages which have sprung from this treaty are enormous: trade

between the two countries has increased enormously, and the fisheries have received a development almost incredible. But for the American civil war, a convention so materially advantageous would have certainly been left undisturbed for many years to come; but the United States government, to provide for an enormous debt and an increased expenditure, has thought proper to raise a large amount of revenue by heavy custom duties, and cannot consequently maintain the free reciprocal trade provided for by the 3d article of this treaty. In a few days, by its termination, we shall be thrown back upon the provisions of the treaty of 1818, with all the bickerings and heart-burnings which prevailed from 1845 to 1852, and the government will have to consider what construction of that treaty it will maintain, and what action it will take. Were the question capable of being settled by the governments of Great Britain and of the United States alone, it would probably not be found to present much difficulty; but it is complicated by the presence of the Provincials, who are, not unnaturally, anxious to keep the fisheries to themselves, or at any rate not to admit the United States to a share in them without receiving compensating advantages in the shape of a free market for their products. Their efforts will thus be directed to as strict an interpretation and as vigorous an enforcement of the treaty of 1818 as they can obtain. By an Act of Parliament passed in the reign of George Third, and also by Provincial Acts, power is given to confiscate absolutely all vessels, with everything on board of them, found fishing within the three-mile limit; and it is certain that there will be every disposition on the part of the Provincials to enforce the law to as full an extent as will be supported by England.

On the other hand, it is scarcely possible to exaggerate the importance attached to the right of free fishing by the Americans. A very exhaustive report has, within the last month, been presented to the United States Treasury Department, by Dr.* E. H. Derby of Boston, whose opinion is, that "we, (Americans,) must either resign our fishery, treat or annex the Provinces." In another part of his report, he says that "the American people will never resign their fisheries," and whether

* The British consul, who sent over my report, confers this title.

this be true in its full sense or not, it is quite clear that an insistence upon the observance of the treaty of 1818, with the construction put upon it in 1845, would gravely endanger the friendly relations between this country and the United States. The English government thus finds itself a party to a triangular duel, in which it has nothing to gain itself, with the disadvantage of being a target for both the other combatants—a situation neither pleasant nor profitable. It is exceedingly doubtful whether it is desirable for any nation to maintain in these days the policy of excluding anybody from the privilege of fishing in the sea. The Commission which recently sat to examine the question as affecting seas nearer home, has reported against the maintenance of any restrictions whatever. Negotiations are even now being carried on with the French government with a view to carry the recommendations of their report into practical effect, and it is scarcely probable that this country would make any great sacrifices to support several thousand miles away a principle which it is doing its best to abolish on its own shores. It is intelligible enough, that the Provincials, with the prospect before them of losing the advantages they derive from the Reciprocity Treaty, should wish for support in enforcing the penal clauses existing under the former state of things; but, although they will be supported by this country in whatever is just and proper, it is not to be expected that they will be supported in the assertion of principles which have been already abandoned on this side of the Atlantic.

REPORT OF A DECISION OF THE COMMISSION ON CLAIMS

Under the Convention of February 8, 1853, between the United States and Great Britain. Transmitted to the Senate, August 8, 1856.

SCHOONER WASHINGTON.

Construction of the treaty of 1818 relative to fisheries on the coasts of North America.

The clause in said treaty, in which the United States renounced the liberty "to take, dry and cure fish on certain coasts, bays, harbors and creeks of his Britannic Majesty's dominions of North America," *held* not to include the Bay of Fundy.

The Bay of Fundy is *held* to be an open arm of the sea, so as not to be subject to the exclusive right of Great Britain as to fisheries.

The schooner Washington, while employed in fishing in the Bay of Fundy, ten miles distant from the shore, was seized by her Britannic Majesty's cruiser, and taken to Yarmouth, in Nova Scotia, and condemned, on the ground of being engaged in fishing in British waters, in violation of the provisions of the treaty relative to the fisheries, entered into between the United States and the British government on October 20, 1818.

Claim of damage was made before the Commission, on the ground that the seizure was made in violation of the provisions of that treaty and of the law of nations.

THOMAS, agent and counsel for the United States.

HANNEN, agent and counsel for Great Britain.

UPHAM, *United States Commissioner.*

In 1843, the fishing schooner Washington was seized by her Britannic Majesty's cruiser when fishing, broad, as it is termed, in what is called the Bay of Fundy, ten miles from the shore.

This seizure was justified on two grounds:

1. That the Bay of Fundy was an indentation of the sea, extending up into the land, both shores of which belonged to Great Britain, and that for this reason she had, by virtue of the law of nations, the exclusive jurisdiction over this sheet of water, and the sole right of taking fish within it.

2. It was contended that, by a fair construction of the treaty of October 20, 1818, between Great Britain and the United States, the United States had renounced the liberty, heretofore enjoyed or claimed, to take fish on certain bays, creeks or harbors, including, as was contended, the Bay of Fundy and other similar waters within certain limits described by the treaty.

The article containing this renunciation has various other provisions, supposed to throw some light on the clause of renunciation referred to. I therefore quote it entire, which is as follows: "Whereas differences have arisen respecting the liberty claimed by the United States to take, dry and cure fish on certain *coasts*, bays, harbors and creeks of his Britannic Majesty's dominions in America, it is agreed that the inhabitants of the United States shall have, in common with the subjects of his Britannic Majesty, the liberty to take fish on certain portions of the southern, western and northern *coast* of Newfoundland, and also on the *coasts, bays*, harbors and creeks from Mount Jolly on the southern *coast* of Labrador, to and through the Straits of Belle Isle, and thence northwardly indefinitely along *the coast*; and that the American fishermen shall have liberty to dry and cure fish in any of the unsettled *bays*, harbors, and creeks of said described *coasts*, until the same become settled. And the United States renounce the liberty *heretofore enjoyed* or claimed by the inhabitants thereof, to take, dry, or cure fish on or within three marine miles of any of *the coasts, bays*, creeks or harbors of his Britannic Majesty's dominions in America, not including within the above mentioned limits: *provided, however*, that the American fishermen shall be admitted to enter *such bays* or harbors for the purpose of *shelter, and of repairing damages therein, of purchasing wood, and of obtaining water*, and for no other purposes whatever. But they shall be under such restrictions as may be necessary to prevent their taking, drying or curing fish therein, or in any other manner whatever abusing the privileges hereby reserved to them."

The first ground that has been taken in the argument of this case is that, independent of this treaty, Great Britain had the exclusive jurisdiction over the Bay of Fundy as part of her own dominions, by the law of nations. As this matter, however, is settled by the treaty, the position seems to have no bearing on the case, except as it may tend to show that the United States would be more likely to renounce the right of fishing within limits thus secured to Great Britain by the law of nations, than if she had no such claim to jurisdiction.

But on this point we are wholly at issue. The law of nations does not, as I believe, give exclusive jurisdiction over any such large arms of the ocean.

Rights over the ocean were originally common to all nations, and they can be relinquished only by common consent. For certain purposes of protection and proper supervision and collection of revenue, the dominion of the land has been extended over small enclosed arms of the ocean, and portions of the open sea, immediately contiguous to the shores.

Beyond this, unless it has been expressly relinquished by treaty or other manifest assent, the original right of nations still exists of free navigation of the *ocean*, and a free right of each nation to avail itself of its common stores of wealth or subsistence. (Grotius, book 2, chap. 2, sect. 3; Vattel, book 1, chap. 21, sects. 282 and 283.)

Reference has been made to the Chesapeake and Delaware bays, over which the United States have claimed jurisdiction, as cases militating with this view; but those bays are the natural outlets and enlargement of large rivers, and are shut in by projecting headlands, leaving the entrance to the bays of such narrow capacity as to admit of their being commanded by forts, and they are wholly different in character from such a mass of the ocean water as the Bay of Fundy.

There is no principle of the law of nations that countenances the exclusive right of any nation in such arms of the sea. Claims, in some instances, have been made of such rights, but they have been seldom enforced or acceded to.

This is well known to be the prevailing doctrine on the subject in America, and it would have been surprising if the United States negotiators had relinquished, voluntarily, the large portions of the ocean now claimed by Great Britain as her exclu-

sive right, under the provisions of this treaty, on the ground that it was sanctioned by the law of nations.

It would be still more surprising if it had been thus relinquished, after its long enjoyment by the inhabitants of America *in common*, from the time of their first settlement down to the Revolution, and from that time by the United States and British Provinces, from the treaty of 1783 to that of 1818.

I see no argument, in the view which has been suggested, to sustain the right of exclusive jurisdiction claimed by England.

2. I come now to the consideration of the *second* point taken in the argument before us, which is, that by the treaty of 1818 the United States *renounced* the right of taking fish within the limits now in controversy. This depends on the construction to be given to the article of the treaty which I have already cited.

In the construction of a treaty, admitting of controversy on account of its supposed ambiguity or uncertainty, there are various aids we may avail ourselves of in determining its interpretation.

"It is an established rule," says Chancellor Kent, "in the exposition of statutes;" and the same rule, I may add, applies to treaties, "that the intention of the law-giver is to be deduced from a view of the whole and of every part of a statute, taken and compared together, and the real intention, when accurately ascertained will always prevail over the literal sense of the terms."

He further says, "When the words are not explicit, the intention is to be collected from the occasion and the necessity of the law, from the mischief felt and the remedy in view; and the intention is to be taken or presumed, according to what is most consistent with reason and discretion."—(1 Kent's Com. 462.)

Now there are various circumstances to be considered in connection with the treaty, that will aid us in coming to a correct conclusion as to its intent and meaning.

These circumstances are the entire history of the fisheries; the views expressed by the negotiators of the treaty of 1818, as to the object to be effected by it; the subsequent practical construction of the treaty for many years; the construction given to a similar article in the treaty of 1783; the evident meaning to be gained from the whole article taken together, and from

the term "*coasts*," as used in the treaty of 1818, and other treaties in reference to this subject.

All these combine, as I believe, to sustain the construction of the provisions of the treaty as contended for by the United States.

It will not be contested that the inhabitants of the territory now included within the United States, as a matter of history, have had generally the common and undisturbed right of fishery, as now claimed by them, from the first settlement of the continent down to the time of the Revolution, and that it was subsequently enjoyed in the same manner, in common, by the United States and the British Provinces, from the treaty of 1783 down to the treaty of 1818.

This right was based originally on what Dr. Paley well regards, in his discussion of this subject, "as a general right of mankind;" and the long and undisturbed enjoyment of it furnishes just ground for the belief that the United States negotiators would be slow in relinquishing it.

They certainly would not be likely to relinquish more than was asked for, or what the United States negotiators a few years before contended was held by the same tenure as the national independence of the United States, and by a perpetual right.

In the negotiation of the Treaty of Peace in 1814, no provision was inserted as to the fisheries. Messrs. Adams and Gallatin notified the British commissioners that "the United States claimed to hold the right of the fisheries by the same tenure as she held her independence; that it was a perpetual right appurtenant to her as a nation, and that no new stipulation was necessary to secure it."

The negotiators on the part of the British government did not answer this declaration, or contest the validity of the ground taken.

Afterwards, in 1815, the consultations had between Lord Bathurst and Mr. Adams, the then Secretary of State, relative to the fisheries, show on what grounds negotiations were proposed, which were perfected by the treaty of 1818; and that the renunciation desired, from the treaty of 1783, consisted of the *shore* or *boat fisheries*, which are prosecuted within a marine league of the *shore*, and no others.

At the first interview of the commissioners, Lord Bathurst used this distinct and emphatic language: "As, on the one hand, Great Britain cannot permit the vessels of the United States to fish within the creeks and *close upon the shores* of the British territories, so, on the other hand, it is by no means her intention to interrupt them in fishing anywhere in the open sea, or without the territorial jurisdiction, *a marine league from the shore.*"

Again, he said on a subsequent occasion: "It is not of fair competition that his Majesty's government has reason to complain, but of a pre-occupation of British *harbors and creeks.*" —(Sabine's Report on Fisheries, p. 282.)

It is clear that it was only within these narrow limits the British government designed to restrict the fisheries by the citizens of the United States.

The views of Messrs. Gallatin and Rush, the American negotiators of the treaty of 1818, appear from their communication made to the Secretary of State, Mr. Adams, immediately after the signature of the treaty.

In this communication they say: "The renunciation in the treaty expressly states that it is to extend only to the distance of three miles from the coast; and this point was the more important, as, with the exception of the fisheries *in open boats in certain harbors*, it appeared that the fishing-ground on the *whole coast of Nova Scotia* was more than three miles from the shore."

It thus appears that the negotiators of both governments concurred, at the time of making the treaty, in giving to it the intent and meaning now contended for by the United States.

It further appears that such was the intent and effect of the treaty of 1818, from the fact that the construction practically given to it for more than twenty years, and indeed down to the year 1842, conformed to the views of the negotiators as thus expressed.—(See Sabine's Report, p. 294.)

There are certain circumstances also appearing in the case, which show the evident reluctance of the British government to assert the exclusive pretensions ultimately put forth by them, and that they had been goaded to it, against their better sense, as to the construction of the treaty, by jealousies and laws of the Colonists of a very unusual character, and which Great

Britain was slow to sanction. And when she ultimately concluded to assert this claim, she tendered with it propositions for new negotiations, by which all matters connected with the Colonies should be amicably adjusted.

I shall now consider the construction given to similar words of the treaty of 1783.

It will not be denied that the words used in the treaty of 1783 and the treaty of 1818, where they are identical, and where express reference is made to the provisions of the former treaty, mean the same thing. When the United States are said, in the treaty of 1818, to *renounce* the liberty *heretofore enjoyed and claimed*, it means the liberty heretofore enjoyed under the treaty of 1783, and the liberty *then* enjoyed was to take fish "on certain bays and creeks," without any limitations as to distance from them.

Now, what were those *bays and creeks* on which—that is, *along the line of which*—drawn from headland to headland, the citizens of the United States were allowed to take fish under the treaty of 1783? It cannot be pretended that *bays and creeks* there intended were any other than small indentations from the great arms of the sea. They certainly did not include the Bay of Fundy and other large waters. Because if fishing was allowed merely *on* that bay, as is now contended, that is, on and along the line of the bay from headland to headland, then all fishing within the Bay of Fundy would be excluded. But it is a well-known fact that the suggestion never was made, or a surmise raised, that the expressions used in the treaty of 1783 permitted the fishermen of the United States to go merely to the line of the Bay of Fundy, and restricted them from fishing within it.

A practice, therefore, for thirty-five years under this treaty of 1783 had determined *what classes of bays and creeks* were meant 'y the expressions there used.

The treaty of 1818 *renounced* the liberty *heretofore* enjoyed of fishing on these *identical bays and creeks*—that is, immediately on the line of them; and also further renounced the liberty of fishing *within a space of three miles of them*. But the *bays and creeks* here referred to were the same as those referred to in the treaty of 1783, and neither of them ever included the Bay of Fundy.

The express connection between these two treaties is apparent from the face of them. Reference is made to the treaty of 1783 in a manner that cannot be mistaken; the subject-matter is the same, and the terms, as to the point in question, identical.

I contend, therefore, that the governments, in adopting the language of the treaty of 1783 in the treaty of 1818, received the words with the construction and application given to them up to that time, and that neither party can now deny such construction and application, but is irrevocably bound by it.

There are other portions of the article in question that aid in giving a construction to the clause under consideration, and that irresistibly sustain the view I have adopted.

Thus it is provided, in another portion of the *same article* in reference to these *same creeks and bays*, that the fishermen of the United States shall be admitted to enter "*such bays*" for the purpose of shelter and to obtain wood and water; thus clearly implying that such bays are small indentations, extending into the land, to which fishing craft would naturally resort for shelter, and to obtain wood and water, and not large, open seas like the Bay of Fundy.

There are numerous bays of this character along the coast, within the Bay of Fundy, such as the Bay of Passamaquoddy, Annapolis, St. Mary's, Chignecto, Mines Bay, and other well known bays extending up into the land.

There is a further argument to sustain the American construction given to the treaty, derived from the meaning affixed to the term "coasts," as applied by the usage of the country, and which was adopted and embodied in the various treaties between France and England from a very early period, and has been continued down to the present time.

I have not seen this argument adverted to; but it seems to me important, and indeed of itself quite conclusive as to the matter in question, and I shall now consider it.

The term "coasts," in all these prior treaties, is applied to all the borders and shores of the eastern waters, not only along the mainland, but in and about the Gulf of St. Lawrence, and around all the larger and smaller islands where fisheries were carried on.

These coasts are thus defined and specified in the Treaty of Utrecht between Great Britain and France in 1713, of Paris in

1763, and other treaties to the present time. In the treaty of Utrecht, between France and England, the liberty of taking and drying fish is allowed "on the *coasts* of Newfoundland;" provision is also made as to the fisheries on the *coasts*, in the *mouth*, and in the *Gulf* of St. Lawrence.

Reference is also made to these "*coasts*" in the same manner in the treaty of Paris, which took place after the conquest of Canada. The French are permitted by this treaty to fish in the *Gulf* of St. Lawrence at a given distance from all "*the coasts*" belonging to Great Britain as well as those "of the continent," as those of the *islands* situated in the Gulf of St. Lawrence. The fishery also "*on the coasts*" of the comparatively small island "of Cape Breton out of said Gulf" is regulated and provided for, and further it is provided "that the fishery on the *coasts* of *Nova Scotia* or *Acadia*, and everywhere else, out of the said Gulf, shall remain on the footing of former treaties."

Now I regard it as utterly impossible for any one looking at these treaties, with the map of the islands and waters in the Gulf or Bay of St. Lawrence, and in and around *Nova Scotia*, referred to in these treaties, to doubt for a moment that the term "*coasts*" was designed to apply, and did, in terms, apply to the whole contour of the mainland and the islands referred to, including the entire circuit of *Nova Scotia on the Bay of Fundy*.

These expressions are continued in the same manner in the treaty of 1783. The United States are there allowed to take fish in the Gulf of St. Lawrence, "on the *coast* of Newfoundland," and also "on the *coasts*, bays and creeks of all other of his Britannic Majesty's dominions in America."

Again, in the preamble to the treaty of 1818, which we are now considering, it is said to have been caused by differences as to the liberty claimed to take fish on certain *coasts*, bays, harbors and creeks of his Britannic Majesty's dominions in America, and by the treaty provision is made as to the fisheries on the *coasts* of Newfoundland, and on "*the coasts*, bays, harbors and creeks from Mount Joly on the southern coast of Labrador, to and through the Straits of Belle Isle, and thence northwardly indefinitely along the *coast*;" and then follows the renunciation of *the right before enjoyed* by the United States "to take, dry or cure fish on or within three marine miles of

any of '*the coasts*,' bays, creeks or harbors of his majesty's dominions in America."

It seems to me undeniable that the term *coasts* in all these treaties was well defined and known. The outlet of the St. Lawrence is equally well known by the term Bay or Gulf. The shores on that bay or gulf, and on the islands within it, are uniformly spoken of as "*coasts*;" and the same mode of designating the shores along this entire country is used in all these treaties in reference to the various waters where fisheries were carried on.

"The coasts" named in these treaties were not only the coasts of the Bay or Gulf of St. Lawrence, and of the island of Cape Breton, but extended from the head of the Bay of Fundy along the bay entirely around Nova Scotia to the Gulf or Bay of St. Lawrence.

There never had been any misunderstanding as to the application of this term, or denial of the right to fish on these coasts, as I have named them, under all these treaties down to 1818. The term "*coasts*," as applied to Nova Scotia during this long period, was as well known and understood as the term "*coasts*" applied to England or Ireland, and it included the coasts on the Bay of Fundy as fully and certainly as the term coasts of England applies to the coasts of the English Channel. It was a fixed locality, known and established, and the right of taking fish had always been "*enjoyed there*."

When, therefore, the treaty of 1818 "*renounced the liberty, heretofore enjoyed,*" of taking fish within three marine miles of any of *the coasts*, bays, creeks, etc., of his Britannic Majesty's dominions," the renunciation was, for this distance from a fixed locality, as fully settled and established as language, accompanied by a long and uninterrupted usage, could make it.

"The coasts" named are those of 1783, and of prior treaties, and the renunciation of three miles was to be reckoned from these coasts. The Bay of Fundy was therefore not excluded from the fishing grounds of the United States.

I am not aware of any reply to the points here taken, that I think can at all invalidate them.

From the papers filed in the case, it appears that in 1841, the Province of Nova Scotia caused a case stated to be drawn up

and forwarded to England, with certain questions to be proposed to the law officers of the crown.

One inquiry was, whether the fishermen of the United States have any authority to enter any of *the bays of that Province* to take fish. These officers, Messrs. Dodson and Wilde, reply that no right exists to enter the bays of Nova Scotia to take fish, "as they are of opinion the term headland is used in the treaty to express the part of the land excluding the interior or the bays and inlets of the coasts."

Now it so happens that no such term is used in the treaty, and their decision, based on it, falls to the ground.

They were also specifically asked to define what is to be considered a headland. This they did not attempt to do. The headlands of the Bay of Fundy have never been defined or located, and from the contour of the bay no such headlands properly exist.

These officers held that the American fisherman, for the reason named, could not enter the bays and harbors of Nova Scotia. But the Bay of Fundy is not a bay or harbor of the Province of Nova Scotia, and was never included in its limits. The Bay of Fundy is bounded on one side by Nova Scotia, and on the other by New Brunswick, and it is not clear that either the question proposed, or the answer given, was designed to include this large arm of the sea.

It is also said that Mr. Webster has conceded the point in issue in a notice given to American fishermen. The claims now asserted were not put forth till many years after the treaty of 1818; and it was not till 1852 the British government gave notice that seizures would be made of fishermen taking fish in violation of the construction of the treaty of 1818, as then claimed by them, when Mr. Webster, to avoid the collisions that might arise, issued a notice setting forth the claims put forth by England.

In one part of his notice he says: "It was an oversight to make so large a concession to England;" but closes by saying: "Not agreeing that the construction put upon the treaty by the English government is conformable to the intentions of the contracting parties, this information is given that those concerned in the fisheries may understand how the concern stands at present, and be upon their guard."

Mr. Webster subsequently denied relinquishing, in any manner, by this notice, the rights of the United States, as claimed under this treaty.

Detached expressions quoted from it, to sustain a different opinion, can hardly be regarded, under such circumstances, as an authority.

I have seen no other argument or suggestions tending, as I think, to sustain the grounds taken by the British government.

On the other hand, I have adverted, briefly, as I proposed, to the history of the fisheries; the views expressed by the negotiators of the treaty of 1818, as to the object to be effected by it; the subsequent practical construction of it for many years; the construction given to a similar article in the treaty of 1783; the evident meaning to be gained from the entire article of the treaty taken together, and from the term "coasts" as used in the treaty of 1818, and other treaties in reference to this subject; and the whole combine, as I believe, to sustain the construction contended for by the United States.

I am therefore of opinion, the owners of the Washington should receive compensation for the unlawful seizure of that vessel by the British government, when fishing more than three miles from the shore or coast of the Bay of Fundy.

HORNBY, *British Commissioner*. *

An opinion was delivered by Hornby, conflicting with the views and conclusion of the United States commissioner, and sustaining the position taken by his government, on the ground that Great Britain, by virtue of her ownership of both shores of the Bay of Fundy, had exclusive jurisdiction over the waters of the bay, by virtue of the law of nations, applicable to such sheets of water, and cited various claims that had been put forth to a similar jurisdiction.

He also held that the provision in the treaty by which the United States "renounced the liberty previously enjoyed, to take, dry or cure fish on, or within three marine miles of any of the coasts, bays, creeks or harbors of his Britannic Majesty's

* The opinion of the British commissioner in this, and some other cases, was to have been drawn up at length, and furnished, to be placed on file. It is to be regretted that these opinions have not been received, and that, after this length of time, they probably will not be.

dominions in North America," excluded by its terms, and by a just construction of the treaty, fisheries of the United States citizens in the Bay of Fundy.

* BATES, *Umpire*.

The schooner *Washington* was seized by the revenue schooner *Julia*, Captain Darby, while fishing in the Bay of Fundy, ten miles from the shore, on the 10th of May, 1843, on the charge of violating the treaty of 1818. She was carried to Yarmouth, Nova Scotia, and there decreed to be forfeited to the crown by the judge of the vice-admiralty court, and, with her stores, ordered to be sold. The owners of the *Washington* claim for the value of the vessel and appurtenances, outfits and damages, \$2,483, and for eleven years' interest, \$1,638, amounting together to \$4,121. By the recent Reciprocity Treaty, happily concluded between the United States and Great Britain, there seems no chance for any further disputes in regard to the fisheries.

It is to be regretted that, in that treaty, provision was not made for settling a few small claims of no importance in a pecuniary sense, which were then existing; but as they have not been settled, they are now brought before this commission.

The *Washington* fishing schooner was seized, as before stated, in the Bay of Fundy, ten miles from the shore, off Annapolis, Nova Scotia.

It will be seen by the treaty of 1783, between Great Britain and the United States, that the citizens of the latter, in common with the subjects of the former, enjoyed the right to *take* and *cure* fish on the shores of all parts of her Majesty's dominions in America, used by British fishermen; but not to dry fish on the island of Newfoundland, which later privilege was confined to the shores of Nova Scotia, in the following words: "And American fishermen shall have liberty to dry and cure fish on any of the unsettled bays, harbors and creeks of Nova Scotia; but as soon as said shores shall become settled, it shall not be lawful to dry or cure fish at such settlement, without a previous agreement for that purpose with the inhabitants, proprietors or possessors of the ground."

The treaty of 1818, contains the following stipulations in relation to the fishery: "Whereas, differences have arisen

respecting the liberty claimed by the United States to *take, dry and cure* fish on certain *coasts, bays, harbors and creeks*, of his Britannic Majesty's dominions *in America*, it is agreed that the inhabitants of the United States shall have, in common with the subjects of his Britannic Majesty, the right to fish on certain portions of the southern, western, and northern coast of Newfoundland; and, also, on the coasts, bays, harbors and creeks from Mount Joly, on the southern coast of Labrador, to and through the Straits of Belle Isle; and thence northwardly indefinitely along the coast, and that American fishermen shall have liberty to dry and cure fish in any of the unsettled bays, harbors, and creeks of said described coasts, until the same become settled, and the United States renounce the liberty *heretofore enjoyed* or claimed by the inhabitants thereof, to take, dry, or cure fish, *on or within three marine miles* of any of the coasts, bays, creeks or harbors of his Britannic Majesty's dominions in America, not included in the above mentioned limits: provided, however, that the American fishermen shall be admitted to enter such bays or harbors, for the purpose of shelter, and of repairing damages therein, of purchasing wood, and of obtaining water, and for no other purpose whatever. But they shall be under such restrictions as may be necessary to prevent their taking, drying or curing fish therein, or in any other manner whatever abusing the privileges hereby reserved for them."

The question turns, so far as relates to the treaty stipulations on the meaning given to the word "bays," in the treaty of 1783. By that treaty the Americans had no right to dry and cure fish on the shores and *bays* of Newfoundland; but they had that right on the coasts, *bays, harbors and creeks*, of Nova Scotia; and as they must land to cure fish on the shores, bays, and creeks, they were evidently admitted to the shores *of the bays, &c.* By the treaty of 1818, the same right is granted to cure fish on the coasts, bays, &c., of Newfoundland; but the Americans relinquished that right, *and the right to fish within three miles* of the *coasts, bays, &c., of Nova Scotia*. Taking it for granted that the framers of the treaty intended that the word "bay or bays" should have the same meaning in all cases, and no mention being made of headlands, there appears no doubt that the Washington, in fishing ten miles from the shore, violated no stipulations of the treaty.

It was urged on behalf of the British government, that by coasts, bays, &c., is understood an imaginary line, drawn along the coast from headland to headland, and that the jurisdiction of her Majesty extends three marine miles outside of this line; thus closing all the bays on the coast or shore, and that great body of water called the Bay of Fundy against Americans and others, making the latter a British bay. This doctrine of the headlands is new, and has received a proper limit in the convention between France and Great Britain of 2d of August, 1839, in which "it is agreed that the distance of three miles fixed as the general limit for the exclusive right of fishery upon the coasts of the two countries shall, with respect to bays, the mouths of which do not exceed ten miles in width, be measured from a straight line drawn from headland to headland."

The Bay of Fundy is from 65 to 75 miles wide, and 130 to 140 miles long; it has several bays on its coast; thus the word bay, as applied to this great body of water, has the same meaning as that applied to the Bay of Biscay, the Bay of Bengal, over which no nation can have the right to assume sovereignty. One of the headlands of the Bay of Fundy is in the United States, and ships bound to Passamaquoddy must sail through a large space of it. The island of Grand Menan (British,) and Little Menan (American,) are situated nearly on a line from headland to headland. These islands, as represented in all geographies, are situated in the Atlantic Ocean. The conclusion is, therefore in my mind irresistible, that the Bay of Fundy is not a British bay, nor a bay within the meaning of the word, as used in the treaties of 1783 and 1818.

The owners of the Washington, or their legal representatives, are therefore entitled to compensation, and are hereby awarded not the amount of their claim, which is excessive, but the sum of three thousand dollars due on the 15th of January, 1855.

EXTRACTS FROM "THE BRITISH EMPIRE."

BY E. H. DERBY.—1866.

Far to the north of our northern boundary, under the high latitude of 54, which a few years since we claimed for our frontier line and reluctantly resigned, lie the British Isles. Hemmed in by the Atlantic on the one side and the German Ocean on the other, with an area of less than 116,000 square miles, less than that of New Zealand, and little more than that of Japan, they fall below several of the States in our western constellation.

Small, however, as may be their area, there are few parts of the earth's surface which would leave such a void as they would were they suddenly to be submerged by some convulsion of nature.

The British Isles have a climate so humid that in ordinary seasons neither maize nor the grape can ripen there, the soil so cold and forbidding that even wheat is a precarious crop unless aided by drainage and artificial stimulants; but the climate is invigorating, the soil is underlaid with minerals more valuable than those of California. The genius of the people is directed toward mechanism, and art has triumphed over nature. Watt and Bolton have set that mechanism in motion by the invention of the steam-engine, and Arkwright and Davy have, like Aladdin in the Eastern tale, evoked the genius of the lamp and the genius of the ring with their Briarean arms, the one to explore the caverns where the black diamonds sparkle, the other to ring in the artisans and set the looms in motion to produce tissues and draperies for the palaces of the world.

The improvement of the soil has kept pace with the advance of mechanism. Skilful drainage, importations of guano and phosphate of lime and linseed have given it fertility and greatly increased its productive power.

Highways, canals and railroads, stone docks and piers have given facilities to commerce. Iron ships and steamers have

taken the place of ancient lighters and colliers, and the navigation of the empire now exceeds six millions of tons.

The manufacture of textile fabrics of silk, cotton, linen, wool, flax and jute, approaches a weight of two thousand millions of pounds.

Ninety-five million tons of coal are annually raised, and ten million tons of ore are annually melted into five million tons of iron.

In 1776, when Great Britain was shorn of her colonies, exhausted by her long struggle and loaded with a vast debt, it was supposed by her foes that she would sink into a third-rate power, but such was her vitality that she soon recovered her energy and began again to extend her dominions. Asia took with her the place of America; her shores were kept inviolate, her naval power increased. For twenty years she was engaged in the great European struggle. With her fleets, subsidies and expeditions, she baffled the power of Napoleon, and finally caged the conqueror of Europe in a sea-girt prison.

Emerging from this struggle with a debt of four thousand five hundred millions, eighty per cent. more than our own, and with a population less than half that within our borders, she has gradually increased her wealth and population until she now meets the entire interest of her debt by a tax upon superfluities, by duties on malt, spirits and tobacco, leaving the revenue from all other sources free to defray the current expenses of the state. Such has been the growth of commerce, that the wealth of the Empire was rated, a few years since, at \$30,000,000,000, and the annual growth of wealth at \$650,000,000, sufficient to extinguish the national debt once in six years.

In place of the thirteen Colonies, with their population of three millions, lost in 1776, Great Britain has planted colonies on all the highways of nations. Gibraltar and Malta frown upon the Mediterranean. Aden commands the outlet of the Red Sea. On the coast of Africa, we find her island of Mauritius, producing annually its 160,000 tons of sugar from a surface of 700 square miles; beyond it Natal, with its sugar, wool and cotton, the Cape of Good Hope, Sierra Leone, Lagos and St. Helena. Proceeding east, we encounter the Isle of Ceylon, with its cinnamon and 50,000 tons of coffee, and the great Provinces of Bombay, Madras, Bengal and Burmah. Beyond

them are Singapore, Labuan and Hong Kong, on the coast of China. Bending our course still further east, we reach Australia, New Zealand and Van Dieman's Land, with a British population half as large as that of the thirteen Colonies at the time of their revolt, endowed with mines of gold, and sheep-walks yielding a hundred million pounds of wool. If we double Cape Horn, we find a post at the Falkland Islands, in convenient proximity to the great river La Plata. Following the coast of Brazil, we come to Guiana and Demarara, then to Honduras, a cluster of isles in the Caribbean Sea, and the fortresses of Bermuda and Bahama.

Proceeding north, we reach the great naval station of Halifax, and come in contact with the Provinces of British North America, with a population and commerce exceeding that of the old thirteen colonies, and beyond them lie British Columbia and Vancouver's Island, colonies upon our Pacific coast. Wherever green pastures, fertile soils, valuable timber or coal-fields, or commanding sites for fortresses invite occupation, there the red cross of St. George and the morning gun of England salute the rising sun.

And now, before the close of the first century that has followed our Revolution, Great Britain, with a stronger hand and increased naval and military power, by the official returns of 1862, has, in place of her thirteen revolted Provinces, no less than fifty flourishing Colonies, with an

Area of square miles,	4,346,996
Population,	152,774,672
Colonial Revenue,	\$290,000,000 00
Colonial Expenses,	291,000,000 00
Colonial Debt,	713,000,000 00
Colonial Imports,	541,000,000 00
Colonial Exports,	474,000,000 00
Colonial arrivals and clearances, tons,	21,550,755
Joint Revenue of United Kingdom and Colonies,	\$640,000,000 00

Great Britain while creating this empire has done little to conciliate the United States. It is true we inherit from her our language with the rudiments of our laws, and for these we are

grateful ; but she has left on our shores few memorials of her kindness, and one legacy which like the robe of Hercules nearly proved our ruin.

It is true that she fought with us against France ; but then we fought for our homes and altars ; she contended for empire ; she ever held our interests subordinate to her own, she repressed our enterprise both in commerce and manufactures. When we had broken her fetters on the continent, she compelled us to fight again to avoid vassalage on the sea ; and when our national life was endangered by an institution she had founded, she alone broke our blockade, carried munitions to our foes, sweeping our ships from the deep, and prolonging the war. Our nation, while it sympathizes with her masses, holds her government accountable for this injustice and will insist upon redress.

It is the part of wisdom to examine her position, to measure her strength, and doubtless we shall find that the gigantic empire she has founded has some vulnerable points and rests on some frail foundations.

INDIA.

We have looked at her colonies grouped together ; let us take a brief view of some of her largest outlying Provinces. The chief is India, which embraces the great basins of the Indus and the Ganges. Here Great Britain, commencing with a company of merchants, and a few trading posts on the coast, by superior tact and wealth, and in great part by native troops, has gradually subdued kingdoms and principalities, and extended her dominions to the border of Affghanistan, Thibet and Chinese Tartary.

Here less than a quarter of a million of Englishmen control a million of square miles, and one hundred and forty-seven millions of unhappy subjects.

The climate of India is a dry one, and its fertility is due in great part to irrigation. Many of its ancient rulers have improved its plains by canals, tanks and reservoirs ; but Great Britain, having won from the natives a title by conquest to the soil, was for many years intent on revenue rather than improvement, and suffered many of these works to go to decay. At length however, she discovered a military necessity for railways, and found remunerative returns in works of irrigation,

and of late years has given them her support. A great system of railways, comprising 5,000 miles, has now been in progress for nearly twenty years. A line of 1,100 miles has been opened from Calcutta to Delhi, another is advancing from Bombay to intersect the Calcutta line.

Other lines will connect the waters of the Ganges with those of the Indus.

The government has guaranteed five per cent. and half the surplus profits to these lines, and the Calcutta railway in its first year has a revenue from traffic which exceeds the guaranteed income. A novel policy has been adopted on these lines. While first and second class carriages, with English charges, are used in a few express trains, the masses of the people are transported in open cars at the low rate of half a cent per mile. And this living freight, which loads and unloads itself, is the chief source of revenue, yielding on the Calcutta and Delhi line more than a million per month.

When the English first landed on the coast of India they found it the chief seat of the cotton manufacture. Beautiful lawns, calico and muslins of exquisite delicacy, gave employment to populous cities. But the manufactures of India have succumbed to the power and policy of Great Britain.

The shawls of Paisley, the prints and lawns of Manchester have superseded the shawls and muslins of Delhi, and the manufacture of India has been gradually reduced to that of the gunny cloth which envelopes our grain and cotton. The Indian widow, as if in mourning for the past, sits upon the ashes and weaves her sackcloth.

Great Britain uses India as her plantation to raise opium, indigo, flax, cotton, jute, hemp and wool, and various dyes for her commerce or home manufacture, and with them has created a commerce of great magnitude and rapid growth.

The exports of British India were in

1835,	.	.	.	.	.	.	\$40,500,000 00
1855,	.	.	.	.	.	.	101,000,000 00
1862,	.	.	.	.	.	.	185,000,000 00

And during these 17 years the importations of India have risen from \$31,000,000 to \$186,000,000.

The tonnage which cleared for foreign countries from India in 1862, was as follows:—

British,	1,156,709 tons.
United States,	220,310 “
French,	152,343 “
Native,	124,350 “

The debt of India in 1862 was \$537,000,000, and its revenue some \$5,000,000 short of its expenses was in that year \$219,000,000.

It has since exceeded its expenses.

This revenue is drawn chiefly from the rent of land, export and import duties, and the monopoly of opium and salt.

The duty on spirit is \$1½ per gallon; on wine, \$1; on tobacco, 12 cents per pound.

India annually absorbs about \$70,000,000 of treasure, principally silver, and its circulation is estimated to exceed \$1,000,000,000.

The commerce of India, like that of the other Colonies of Great Britain, is almost equally divided between the mother country and other nations and colonies.

Great Britain relies upon opium alone for more than one-sixth of her Indian revenue; she requires the people of certain districts to pursue its cultivation, and takes it at fixed prices, yielding them small remuneration, and has compelled China to receive it at the point of the bayonet. The revenue from this drug, now \$35,000,000, is annually increasing at the rate of one or two millions. The opium pays for the tea of England, and this is her favorite beverage.

When we consider that this revenue is wrested from the industry of one race, and wrung from the ruin and impoverishment of another, its permanence may well be questioned. The British Empire in Asia stands upon no firm foundation. It may be better than the anarchy that preceded it; but it is not founded on the love of the people, and is guided by the interests of a distant state.

AUSTRALIA.

The first settlements of the English on the Australian continent were made since the adoption of our Constitution in 1788.

In 1839 the colonial population had risen to 160,000, and now the population of this continent and the adjacent isles has risen to 1,400,000. Their revenue has grown, also, to \$140,000,000.

In 1862 the importations of the Australian colonies were as follows:—

From Great Britain,	.	.	.	\$79,000,000	00
From other countries,	.	.	.	78,500,000	00
Aggregate,	.	.	.	\$157,500,000	00

Their exports, which were at first of little value, have, by the great increase of sheep and the discovery of gold, been carried up to \$133,000,000 annually.

The commerce and wealth of Australia have taken their entire development since our Revolution.

CANADA, NOVA SCOTIA AND OTHER PROVINCES OF NORTH AMERICA.

These Provinces, in close proximity to the United States, had little commerce and a small population at the close of our war for independence; but now their territory and population both exceed those of the thirteen colonies in 1776.

The population of these Provinces is equal to one-tenth of our own, and will reach four millions in 1868. Their annual arrivals and clearances in commerce with us exceed 6,500,000 tons, and their annual importations from all countries exceed \$68,000,000. Their revenue is at least \$14,000,000. The great staples of the export trade are grain, lumber, fish, coal and provisions.

We have traced the outlines of the great web which the British spider has spread over the globe. Let us now return to the British Isles; let us walk into the parlor of this industrious artisan, and test the central supports of his structure.

LAND AND AGRICULTURE.

One of the great distinctions between Great Britain and the United States is the treatment of the land in the two countries. It is the policy of the former to break up the small freeholds, and to accumulate lands in the hands of the gentry. The law of primogeniture, the law of entails and settlements, favor this

accumulation, and in Great Britain not one person in three hundred has a permanent interest in the soil.

The reverse of this is true in the United States; our laws favor diffusion, and would give to every one a sure and permanent home. Primogeniture and entails have been abolished. The settler on the frontier has been favored by pre-emption and grants of homesteads and extremely low prices for the public domain; public grants have been made for railways, and the facilities of transfer by sale or mortgage are so great, that the masses are tempted to become holders of the fee.

It is the policy of our laws to elevate the masses, to exempt their homes and furniture from attachment and distraint for rent, to make them feel that they are a part of the state and have an interest as well as a voice in its management; and this may explain the unanimity with which the people of the North sustained the state in our late conflict.

The policy of England which gives the land to the few, and to the few with the land the controlling power in elections, gives less vitality to the state.

In America men aspire to wealth for its comforts and distinction, and would share it with their offspring. In England a man aspires to land and a family to perpetuate his name, and sacrifices his younger children to pride. Our policy elevates the many, that of England elevates the few and strips the many. Our farms remain of convenient size, and are usually occupied by the owner; but in England many farms are held as investments by one individual. Twelve men own half of Scotland. Two hundred hold half of England—a most remarkable contrast, since England is deficient in land, while our supply is ample, and here a farm is rarely let to any one.*

In Ireland there has been in the last quarter of a century a serious decline in agricultural productions.

McCulloch, a standard authority among Englishmen, informs us that the agricultural productions in grain, potatoes, cattle, in Ireland, were,—

In 1839, \$222,000,000 00

* While we "deforest" America, the nobility and gentry of Great Britain, like William the Norman, "afforest" large tracts of the Island for hunting and shooting.

Since then they have declined,—

In 1859, to	\$198,000,000 00
In 1863, to	137,000,000 00

The population of Ireland has declined in nearly the same ratio,* while that of England and Scotland shows an increase more than commensurate with the loss across the channel. How are we to account for such a decline while England and Scotland have been progressive?

The pages of McCulloch to which we have referred, present a melancholy picture of the condition of Ireland in 1839. The population of the island, he says, is now eight millions. Of these, six millions live chiefly upon the potatoe, one and an half millions on oatmeal, and half a million on other food. Fifteen persons out of sixteen eking out a miserable existence on food inferior to that of the Snake Indians, infinitely worse than that of the slave.

This wretched population living in turf cottages, without chimneys or windows, half naked, grew in their misery to nine millions. Then came the famine and the fever to sweep away a race whose condition was a disgrace, not merely to the empire, but to humanity itself, and then the exodus to America.

Contrast the condition of the Irishman of 1847 in his broken hovel and tattered garments, liable at any moment to be set adrift without a home or a bed, meagre from the wretched apology for food upon which he lived, and now emaciated by famine and disease, and contrast the condition of his family with the average condition of each family in the United States where, by the census of 1860, the returns of our agriculture were so ample that they presented an average for each family in this new country, of 1 horse, 4 cattle, 4 sheep, 6 swine, 28 bushels of wheat, 26 bushels of potatoes, 28 bushels of oats, 140 bushels of corn and nearly a bale of cotton, and ample straw and fodder, beside sugar, tobacco and other productions.

The conversion of Ireland from oat fields and potato patches into fields of flax, and pastures with the growth of people

* The population of Ireland is now reduced to five millions. More than one-third of the people are Protestants. Between 1500 and 1700 nine-tenths of the land was confiscated and the proprietors deprived of their homes, property and civil rights.

in the sister isle, requires a large importation of food into Great Britain. This, in 1865, amounted

In grain, corn and flour, to . . .	\$130,000,000 00
In rice, to	9,000,000 00
In pork, beef and dairy products, to . . .	44,000,000 00
	\$183,000,000 00

This opens a market to the competition of this country for its supply with France, Germany, Egypt, Russia, Spain, Italy and Turkey, but did we have exclusive access to it, such a market would absorb but a small percentage of the \$3,000,000,000 of breadstuffs and provisions produced by the agriculture of the United States.

In 1839, McCulloch estimated the return of agriculture in Great Britain and Ireland at \$1,000,000,000. The decline in Ireland has probably prevented any large increase since that period. Our returns from agriculture rose to \$2,600,000,000 by the census of 1860, and are now at least threefold those of Great Britain. The surplus in this country is our safeguard in case of war, but the dependence of the British Isles on foreign nations and distant colonies for the food of five to ten millions of their people puts them under heavy bonds to keep the peace.

BRITISH MANUFACTURES.

McCulloch rates the annual value in 1839 of the chief manufactures of Great Britain, viz., cotton, wool, flax, silk, hats, paper, glass, iron and earthen ware at \$583,000,000, and the value of the minerals produced at \$100,000,000, an aggregate of \$683,000,000. We must have passed these points long since, for the census of 1860 presents the amount of our manufactures at nearly threefold that aggregate, and they are still progressive.

The English question our right to include lumber and flour among manufactures; but it is difficult to see why the grooved and often planed board, the finished shingle, lath and clap-board, or why the bolted and barrelled flour, as well as refined oil, are not as much manufactures as pig iron or castings. If our manufactures are sometimes stated twice; if the leather, for instance, is included a second time, in boots, shoes or harnesses, does not English hardware include pig iron, bar iron and

steel in English manufactures, and do not their fabrics of cotton, wool and silk, include in their amount the foreign material ?

In certain branches Great Britain still surpasses America. We manufacture but 1,500,000 tons of iron. Great Britain makes 5,000,000 tons ; but we consume, chiefly in other manufactures, three-fifths as much iron as Great Britain. And while her pig and bar iron are worth less than \$100,000,000, our manufactures of iron exceed \$200,000,000.

In 1860, we spun and wove four hundred and thirteen million pounds of cotton, Great Britain one thousand one hundred and twenty millions, and not the larger quantity stated by Sir Morton Peto, who sets down all imported as manufactured. In silk, flax, jute, wool and hemp, and earthen ware, Great Britain still excels ; but in nearly all other branches we are in the ascendant, and whatever advance Great Britain has made since 1839, our aggregate from the returns of 1860 in minerals and manufactures, unless, as she suggests, we strike off great branches, must exceed her aggregate of manufactures and minerals.

For instance, in leather, boots, shoes, harnesses, carriages, engines, cars, sewing-machines, musical instruments, arms, cannon, agricultural implements, India-rubber goods, ready-made clothing, paper, paper collars, manufactures of wood, files, screws, and many minor branches, we are ahead of Great Britain, although in tissues we may not manufacture the amount she produces. In future the rivalry between Great Britain and the United States will be in the last named articles. Both nations are preparing for the contest.

While Great Britain is doubling her production of pig iron once in thirteen years, we are opening vast deposits of iron ore superior to any that she can command in Missouri, Tennessee, and on the shores of Lake Superior. We are erecting new furnaces, and already produce a million and a half of tons, or more than England made in 1845, and have carried our manufacture of iron in its various forms above \$200,000, drawing less than one-tenth of the pig metal from Great Britain.

If the cotton tax shall be sustained by Congress and a remission of duty be allowed upon our cloth exported, we may expect a rapid increase of the manufacture both at the North and the South ; we now consume two-fifths of the quantity of cotton annually used by Great Britain.

With respect to wool, our manufacture has doubled in less than ten years, our woollen machinery is equal to the manufacture of 200,000,000 millions of pounds of wool, and we import and produce nearly that amount in 1866. Delaines, worsteds, and mixed fabrics of wool, silk and cotton, bunting, felted cloth and other new fabrics are now well established and progressive.*

Each nation is largely embarked in manufactures; each guided by a different theory. The theory of Great Britain is free trade. Reduced to practice it is the exchange by commerce of the raw material to which she has given new value for the rude products of other regions. Strong in her insular position; enthroned on her beds of iron and black diamonds; relying on her command of the sea, on her intellectual power and artistic skill to guide her low-priced labor and varied mechanism; trusting in her accumulated capital to crush competition,—her aim is to keep down labor by cheap food and beer at home, and to crush rivalry and adverse tariffs by the weight of capital abroad; to sell below cost to-day, with a view to large profits to-morrow.

In her eye the laborer is but a machine, endued with life merely to do the bidding of capital, which absorbs the profits while the mechanism is merely kept, like the engine, in repair. The debased and illiterate masses have no interest in the state while they stand on the verge of pauperism.

Our policy is the reverse. It is to create and educate men, or import them ready-made, in the full vigor of manhood, instead of importing their manufactures; to use them to subdue the asperities and improve the gifts of nature, and to allow them a full participation in the result, and to hold a part of the country they benefit. To create a vast home market in which the industrious artisan may exchange, at fair prices, his surplus products for those of the industrious farmer. To give him a moderate protection against the capital that directs the brute force of Europe. The slave, in his early manhood, was worth to the master, in this country, at least one thousand dollars. The free laborer or artisan brings with him, on the average, his \$68; but he is worth, to the state that receives him, twice the price of

* The number of sheep in Great Britain is less than 24,000,000, and the wool annually manufactured there is little more than that manufactured here. We have more sheep than Great Britain.

the slave. Capital, with us, doubles in a decade. In twenty-five years the industrious settler or artisan has raised a family, and converted his original capital of \$2,068 into three or four-fold that amount in the shape of an improved farm or other property; he has become a freeholder, a portion of the State.

In the happy words of another: "Here is the great land of free labor, where industry is blessed with unexampled rewards, and the bread of the workingman is sweetened by the consciousness that the cause of the country is his own cause, his own safety, his own dignity. Here every one enjoys the free use of his faculties, and the choice of activity as a natural right. Here, under the combined influence of a fruitful soil, genial climes and happy institutions, population has increased fifteen-fold within a century. Here, through the easy development of boundless resources, wealth has increased with twofold greater rapidity than numbers, so that we have become secure against the financial vicissitudes of other countries; and, alike in business and in opinion, are self-centered and truly independent. Here, more and more care is given to provide education for every one born on our soil. Here religion, released from political connection with the civil government, refuses to subserve the craft of statesmen, and becomes, in its independence, the spiritual life of the people. Here toleration is extended to every opinion, in the quiet certainty that truth needs only a fair field to secure the victory. Here the human mind goes forth unshackled in the pursuit of science, to collect stores of knowledge, and acquire an ever-increasing mastery over the forces of nature. Here the national domain is offered and held in millions of separate freeholds, so that our fellow-citizens, beyond the occupants of any other part of the earth, constitute, in reality, a people. Here exists the democratic form of government; and that form of government, by the confession of European statesmen, gives a power of which no other form is capable, because it incorporates every man with the State, and arouses everything that belongs to the soul."

An English statesman suggests that each loom set in motion at Manchester, sets twenty ploughs in motion.

The policy of America is to place the loom where it can move the American, not the French or Russian ploughs, and to place

the artisan where he can, in time of war, unite with the yeoman in sustaining and defending the country.

Great Britain requires less than an eighth of the products of our agriculture, and the competition of other nations will supply the larger part of this fraction. Were we to abandon manufactures, and convert our artisans into farmers, how could Great Britain absorb or consume the products of agriculture now used by our artisans, and those in addition that they would produce as farmers? Divert them from the loom, the spindle and the forge, and their industry would depress the value of our wheat and provisions, and enrich the foreigner.

While it is the wise policy of our country to invite the industrious artisan and yeoman from abroad, and to encourage manufactures, it may safely be conceded that it would be most unwise to erect an adamantine or Chinese wall around our country to exclude the products of other nations.

Great Britain requires a portion of our *cotton, tobacco, petroleum*, flour and provisions. Nature has placed the *fossil salt*, coal, iron-stone and materials for earthen-ware, and porcelain near her seaports. All these should pass our custom-house at moderate duties, for they give return freights to our ships, and add thereby to the returns for the products we export. The iron and steel, too, will meet the iron and steel of America in our Northern seaports, and there keep up a healthful competition with our own. We shall, too, ever require many new and costly fabrics from Great Britain, which we may well import, and, by duties on these and her other fabrics produced by cheap labor, may add to the revenue of the nation and give a stimulus to our own manufactures; but were we to abandon our water-power and our mechanism, and rely upon England alone for our supply of cloth and hardware, we should bid adieu to our gold and silver, if not to our national obligations.

COMMERCE.

Our free trade is upon a gigantic scale in the free commerce we conduct over the principal part of this continent by rail, canal, lake, river and coastwise navigation. That of England is very extensive, but limited by foreign tariffs.

Her imports and exports have tripled in the last twenty-three years as shown by the following table :—

Exports and Imports of the British Isles.

1842,	.	.	.	.	.	\$655,000,000 00
1853,	.	.	.	.	.	1,285,000,000 00
1863,	.	.	.	.	.	1,975,000,000 00
1865,	.	.	.	.	.	2,150,000,000 00

And singular as it may seem the imports during this period have exceeded the exports by \$7,500,000,000, nearly twice the amount of the national debt.

With respect to the amount of exports the chief cities of Great Britain represent the following amounts for the year 1862: Liverpool, \$250,000,000; London, \$156,000,000; Hull, \$60,000,000; Glasgow, \$30,000,000.

The exports for 1863 are classed by R. H. Patterson, in his recent work as follows:—

Manufactures from foreign materials chiefly	
textile fabrics,	\$500,000,000 00
Metals, machinery and hardware, and manu-	
factures of British materials, . . .	180,000,000 00
Articles not included,	52,000,000 00
	\$732,000,000 00

Importations.

For food, corn, flour, provisions and dairy	
products,	\$183,000,000 00
Sugar, tea and coffee,	135,000,000 00
Wine, spirits and fruit,	46,000,000 00
Tobacco,	15,000,000 00
Wood,	54,000,000 00
Oil and tallow,	20,000,000 00
Materials for manufactures,	514,000,000 00
Guano and oil seed cake,	16,000,000 00
Manufactures,	30,000,000 00
Spices, and articles not enumerated, .	235,000,000 00
	\$1,248,000,000 00

The value of the manufactured goods imported falls below two and one-half per cent. of the entire importation. Among

the chief exports of the British Isles in 1865, we find many coarse articles which give employment to ships while valuable goods are sent by steamers, viz. :—

Coal,	(Tons,)	9,189,000 ;	Value, \$22,000,000 00
Iron & steel, “	1,615,000 ;	“	167,000,000 00
Soda, “	126,000 ;	“	6,000,000 00

Among the imports we find—

Copper ore,	(Tons,)	. . .	222,000
Guano,	“	. . .	237,000
Flax,	“	. . .	100,000
Hides,	“	. . .	40,000
Espartero for paper, “	. . .	. . .	52,000
Hemp,	“	. . .	50,000
Breadstuffs, (Bushels,)	. . .	. . .	100,000,000

The principal exports were made to the following countries in their respective order :—

The United States,	Germany,	Turkey,
India,	France,	Egypt,
Australia,	Holland,	Brazil.

Great Britain accumulates in her warehouses large quantities of foreign goods, and has on hand or upon the sea more than a year's supply of tea, coffee, spices, tobacco, spirits, wine and brandy, and large supplies of timber, sugar, cotton, wool, and other staples, so that she is well prepared for a temporary interruption of her commerce. It was not until 1862, that she felt severely the effects of the interruption of the supply of cotton.

Her annual consumption of tea, coffee, sugar, wine, brandy and wool, is estimated as follows :—

Tea, (pounds,)		100,000,000
Coffee, “		28,000,000
Sugar, “		1,125,000,000
Wine, (pipes,)		114,000
Brandy, “		23,100
Foreign wool, (pounds,)		107,000,000

BANKS.

The commerce of Great Britain is facilitated by numerous banks. The aggregate circulation is restricted to \$188,000,000 while the metallic circulation of gold and silver in the two isles is set at,					
					420,000,000
					\$608,000,000

In addition to this a considerable amount of exchequer bills and bills of exchange at thirty to sixty days is circulated by merchants.

The whole number of joint stock and private banks in the sister isles exceeds five thousand, and the aggregate amount of deposits is \$1,500,000,000.

There are in England sixteen hundred joint stock banks. Of these sixty-one are authorized to issue bills to the limited amount of \$15,000,000.

One hundred and forty-two private banks are empowered to issue bills not exceeding in all \$16,000,000.

The Bank of England may issue to the amount of \$70,000,000, and beyond that amount, in case a pound in gold is reserved for every pound in currency.

The chief institution of Great Britain is the Bank of England, which is closely identified with the government and manages the national debt. Its capital is \$70,000,000, its reserve of profits is \$15,000,000 more, but all the capital and reserve excepting \$30,000,000, are borrowed by government and are useless for discounts.

Although permitted to issue notes to the extent of \$70,000,000, it is required to keep in reserve specie to the extent of its issues beyond its loan to the government, but it is not restricted as to its rate of discount.

The average deposits with this institution, including government bonds, are \$100,000,000, and its profits range from ten to twelve per cent. The bank pays annually to government \$600,000 or less than one per cent. for its privileges.

In former times the banking business of London was conducted in great part by private bankers, but of late years many of their firms have been superseded by joint stock banks, which do most of the business of London.

There are now in London twelve joint stock banks, with an actual capital of \$30,000,000 in addition to reserved profits, and their deposits amount on the average to \$400,000,000 and their discounts are often more than ten times their capital. To secure deposits they allow interest to the depositors. Their profits have been as high as 30 per cent. In addition to these banks are several discount houses that keep accounts with the Bank of England and discount short bills of exchange.

In Ireland there are six joint stock banks authorized to issue six millions of currency.

In Scotland, banks have been established for one hundred and fifty years; they are now thirteen in number, six of which may issue a circulation of \$22,000,000.

The stockholders in these Scotch banks are all liable for the engagements. They are so cautiously conducted that none of them has ever failed to pay its bill-holders and depositors. It is their practice to keep a reserve equal to one-third of their notes and deposits and to allow an interest of three per cent. to their depositors upon their daily balances.

These banks have no less than six hundred and fifteen branches diffused through all parts of Scotland which attract from the farmers and small traders their accumulations and transfer them to the commercial centres where they are profitably employed. These facilities have done much to stimulate the growth of Scotland, which, under a sky of steel, a harsh climate, with great asperity of surface, has in the last century made more rapid progress than any other portion of Europe. Much is due to the management of its banks and bankers, to cash credits and allowance of interest on deposits which empty the till and the stocking into the vault of the central banking house, which collect and gather up and utilize all the dew-drops, rills and rivers of wealth, and pour them in fertilizing streams over the country. They may well be copied in America.

But while we find much to admire in the banks of Scotland, the banking system of Great Britain has no form or symmetry, presents many imperfections, and is inferior to the new system of the United States.

The circulation is anomalous and irregular, based partly on public securities, partly on the strength of joint stock companies

subject to few restrictions, and partly on the credit of individual bankers; and no institution, except the Bank of England, makes any return to the State for the privilege of creating a currency.

While our national currency pervades the country from the Bay of Fundy to the Rio Grande, from the highlands of Never-sink to the Sierra Nevada, the bills of the private banker rarely circulate beyond his own city or county.

The active capital of the Bank of England and of the twelve joint stock banks of London, in the aggregate but \$62,000,000, is an insufficient and unsafe basis for \$500,000,000 of deposits and a still larger average of discounts. An average loss of ten per cent. upon the paper discounted would submerge all the joint stock banks of London, and such losses may be anticipated in commercial revulsions when we see cotton decline thirty-five per cent. in less than six weeks, with an attendant loss to the British merchant of more than \$100,000,000. The perils to which the nation is exposed by such a system of banking are illustrated by the suspension of the Barnard Banking Co., Overend, Gurney and Co., and other joint stock banks, with liabilities of \$130,000,000, based on a capital less than one-tenth of the amount, and by a panic to which the Bank of England itself was obliged to bow.

Again, the permission to raise the rate of discount to ten per cent. or more accorded to the Bank of England, makes it the policy of the bank to keep up interest, while profits of 30 per cent., in a country where consols pay but three, stimulate gambling.

If a profit of thirty per cent. can be made from the deposits or circulation of the banks, should it inure to the benefit of the nation, or to that of adventurers or gamblers? Panics are, and well may be, prevalent in London. The nation relies upon foreign nations or distant colonies for its food, and at the same time intrusts its national credit to institutions which take risks unprecedented in America.

AMERICAN BANKING SYSTEM.

Let us contrast our system with that of Great Britain. Our banks, sixteen hundred in number, are all homogeneous, and based upon the same statutes.

Their capital is limited to \$400,000,000, and their circulation to \$300,000,000. They are required to make monthly returns to the National Government, and a summary of these returns showing the amount of their circulation and deposits, is published and circulated quarterly. A late quarterly return exhibits their deposits in round numbers at \$500,000,000.

The law requires them to protect their circulation by a deposit, in the National Treasury, of United States bonds with a margin of ten per cent. It requires all the banks in the chief cities to hold in specie, greenbacks or other legal tenders, twenty-five per cent. of the amount both of their circulation and deposits.

Their circulation is apportioned and their bills are issued to them by public officers, and are receivable for taxes and by all banking associations. No panic or revulsion sends them home, and they have the same currency as the legal tender.

As they are amply secured by a deposit of stocks and bonds in the National Treasury, the reserve to meet them becomes applicable to the deposits, and these national banks, with an aggregate of \$300,000,000 circulation and \$500,000,000 deposits, amounting to \$800,000,000, twice their capital, must keep reserves of \$200,000,000 in gold or legal tenders, sufficient to pay at once two-fifths of their deposits.

In no former panic, before circulation was secured, have our banks been required to pay out two-fifths of their aggregate deposits. Now, to meet this amount, they have not only two-fifths in reserve, but all their discounted paper, and the margin of their stocks pledged to the government.

TAXES AND CHARGES.

It is estimated by those who are conversant with banking, that the annual cost of conducting a bank in the United States is $2\frac{1}{2}$ per cent. upon the amount of its capital. This covers salaries, rents, postages and losses, and this must be deducted from revenue before a division of profits.

Under our banking law, a further deduction of ten per cent. on profits is made, until a surplus or contingent fund of twenty per cent. is realized.

But in addition to these necessary deductions, a large amount is required by government for the privileges conferred.

The government calls upon the banks,—

<i>First</i> , for a tax of 1 per cent. on circulation, equivalent to an average on capital of . . .	$\frac{3}{8}$ of 1 per ct.
<i>Second</i> , for a tax of $\frac{1}{2}$ of 1 per cent. on average deposits, equivalent to	$\frac{5}{8}$ “ “
<i>Third</i> , for a tax of $\frac{1}{2}$ of 1 per cent. on capital not invested in national securities,	$\frac{1}{8}$ “ “
<i>Fourth</i> , for an income tax of 5 per cent. on prof- its to be paid to shareholders, estimating these at 10 per cent.,	$\frac{1}{2}$ “ “
The State, County and Town tax on the stock, including that on banking houses in 1865, in Massachusetts, exceeded	$1\frac{1}{2}$ per cent.
Aggregate,	$3\frac{1}{2}$ per cent.

Let us assume earnings of the United States banks to have been, during the past years,—

From Discounts,	\$49,000,000 00
From Coupons and Bonds, \$333,000,000, . . .	20,000,000 00
Profits on sale of Gold, and other items, . . .	1,000,000 00
The aggregate is	\$70,000,000 00

Seventy millions are equivalent to $17\frac{1}{2}$ per cent. on capital; and if we deduct charges $2\frac{1}{2}$, taxes $3\frac{1}{2}$, and percentage of one-tenth the profits carried to the surplus fund, say 1 per cent., and a half per cent. for contingencies, the residuum of ten per cent. remains for dividend.

This residuum is of course subject to the deduction of any interest allowed to depositors. We are led by this analysis to the conclusion that if money continues to average seven per cent. the banking system of the United States can return three and one-half per cent. to the government, an aggregate of \$14,000,000, and ten per cent. to the stock-holder with a reserve of one per cent. which may possibly be offset by some concessions to the depositor.

We have adverted to one feature in the banking-law which secures the depositor the reserve of twenty-five per cent. in legal

tenders, but we have not adverted to the additional revenue this gives to the government. It places in the vaults of the banks \$200,000,000, or nearly that amount of the national debt in the shape of legal tenders as a *corps de reserve*, and the government thus saves the interest. This is equal to a further tax of three per cent. on bank capital. Thus directly and indirectly will the government realize \$26,000,000 annually from the banks, an amount equivalent to *six and one-half per cent.* on the aggregate capital, and nearly nine per cent. on the circulation.

In our revolutionary war when public credit was exhausted and colonial and continental bills had ceased to circulate, the little bank of Robert Morris rendered invaluable aid to the country, and with its capital of \$400,000 enabled Washington to take the field and make his last and most brilliant campaign.

In our last protracted struggle the country has again been obliged to fall back upon its banks, and to inaugurate a National Banking system, which has rendered service still more valuable.

The bank of Morris sinks into insignificance when we compare its capital of \$400,000 with the \$400,000,000 of our national banks. The nation has grasped this capital, converted it into national bonds, based upon it a currency of \$300,000,000, and devoted this to banking purposes. Not content with the first loans it has required the national banks to take \$200,000,000 more of legal tenders and hold them in their coffers.* Not content with this it has called upon them to contribute as a return for banking privileges the interest of \$230,000,000 more in taxes, for the support of government.†

Again, it has employed them to collect without charge all the little rills and streams of revenue, and pour them in large rivers into the National Treasury.

Again, it has called upon sixteen hundred national banks to diffuse its bonds over the whole surface of the country, and to gather in loans from every shop, farm-house and cabin, the savings of industry, to sustain the armies and navy of the Republic, thus utilizing all the resources of the country, and devoting them to the service of the nation. Let due honor be given to him who inaugurated our national system of finance

* A part of these legal tenders, as compound interest notes, have thus far drawn interest, but the interest will cease January, 1867.

† The tax on stamps and licenses is to be added; it will amount to three-eighths of one per cent. on circulation.

which has not only sustained the State, but has given to its commerce a uniform currency from Maine to Texas. If it is not perfect, if it requires any further expansion, any restraint upon its discounts, any relief from taxation, let the nation still study its improvement.

Nil actum reputans si quid restat agendum.

CONCLUSION.

The ministers of England annually congratulate her people upon the progress of the nation, and under their guidance, England, although sorely troubled by the affairs of Denmark and Italy, has most wisely refrained from involving herself in Continental questions.

It must be confessed that there is much to encourage England in her onward march. The sanguine Englishman sees, in his dreams, all the nations of the earth in caravans or long processions, in fleets of ships, and bearing all the riches of the earth moving to the great temple which England dedicates to commerce; but sometimes, in his dream, an unseen hand writes upon the wall, "Mene, mene," and it is for the interpreter to say whether it be the Median or Fenian who is to shatter his portals or whether his empire is secure.

We have glanced at the foundations of England's greatness; let us present our conclusions.

The strength of Great Britain rests

First. On its insular position, defended by seas that have kept its shores for centuries inviolate, and prevented the devastation that war has occasioned on the Continent.

Second. Upon its salubrious and invigorating climate, which has produced and nurtured an enterprising race, but partially educated, whose latent power still awaits the development of the future.

Third. On those ancient institutions of learning which have cherished religion and science, and cultivated the faculties of the privileged classes.

Fourth. On the great development of agriculture.

Fifth. On her unremitting efforts to maintain the dominion of the sea, which enables her to maintain a growing population while depending upon remote regions for a large part of their

food and materials, and gives security to her remote colonies and wide-spread commerce.

Sixth. On her vast stores of mineral treasures, easily accessible and already opened to use, sufficient for at least a century to come. These, with her active capital, are the chief bases of her manufactures.

Seventh. On her vast capital, the accumulation of many centuries, which is the life-blood of her manufactures and commerce, which enables her to trade with distant regions and to invest in the most lucrative enterprises, and thus to maintain in affluence a large portion of her people who can supply the sinews of war in any collision with other nations.

Eighth. On her manufactures, in the aggregate of which she surpasses all nations of Europe. Continental nations may rival her in silk, wool or linen, but in metals and cotton she has as yet no rival.

Ninth. On her vast navigation and external trade. In a recent financial statement, Mr. Gladstone informs the world that the external trade of Great Britain exceeds that of France and the United States combined ; and this is doubtless true. If we add to the exports and imports of Great Britain the exports and imports of the colonies, which do not touch the British Isles, we have an aggregate of more than \$3,000,000,000 annually.

Thus, external trade sustains a navigation less before the late war than our own, but now by the absorption of one or two million tons of our shipping carried up to at least six million of tons.

Let us now glance at the weak points of this gigantic empire. It appears,

First. That its legislation is so improvident as to degrade and impoverish the great mass of its people for the benefit of a few privileged classes. That not one person in three hundred has any interest in the soil or fixed capital of the country ; that nearly half the population of England can neither read or write ; that unwise laws are gradually concentrating the real estate and personal property, and with them the offices of church and state, by entails not easily broken in the hands of the privileged classes ; that the suffrage, instead of being extended as with us, to six millions of men, most them freeholders, is

confined almost entirely to the rich land-holders or their tenantry, thus making the land the great controlling power of the state. And if, by chance, the poor man acquires wealth, the aristocracy opens to absorb him and estranges him from his fellows.

The government rests in Great Britain upon the privileged classes and not upon the interests of the many. It resembles an inverted pyramid with the base overhanging; it rests upon traditional respect, "*Stat nominis umbra.*" As in India the few control the many for the benefit of the few, and neither in India where the hidden fire still glows in its ashes, nor in Ireland where the masses are still imbued with a burning sense of injustice, nor in Great Britain itself, where nine-tenths of the population are landless or disfranchised, can the imperial government call to its aid in the hour of trial, as we have done, the masses of its people ready to face any danger, to sacrifice any property, children, life itself, for the national flag. Can it find such a material in the ale-houses or gin-shops, or in the asylums for the poor to which it has doomed so large a part of its people by vicious legislation?

Second. The strength of Great Britain rests upon its navy; but is that navy to-day in its iron-clads, in its models, or the calibre of its cannon, in the discipline and experience of its officers and men, a match for the navy of the United States; could it against that navy either alone or combined with that of France or Russia, defend all the ports of Great Britain, most of them unfortified, or all its colonies, or all the commerce that floats between them?

Third. Great Britain has colonies, and many of them furnish coaling stations in time of war; but are these coaling stations in her colonies impregnable; may they not be appropriated by the power, which shall in either ocean obtain the ascendancy?

Does not the very extent of the British Empire, the very magnitude of its commerce constitute its weakness? And if one Alabama, one Shenandoah, and one Tacony have deprived us of one or two million tons of shipping, what would be accomplished by the hundred and fifty armed steam-ships which the United States now have in commission or nearly ready for sea.

Fourth. Her banking system is weak and defective. Ours the reverse.

It is due to Great Britain, when pointing out her grave errors and defects, to concede that she has of late years evinced some interest in the masses, and more sensitiveness to the claims of humanity than ever before.

She exhibits this in her liberal contributions to missions and bible societies, by larger appropriations for education, and provisions for the support of religion. She has freed her slaves and assumed a moiety of the loss ; she has conceded to the Jew and the Roman Catholic the rights of citizens long withheld, given schools to Ireland, and grants to Roman Catholic Colleges. It may be that all this does not originate in pure benevolence ; that enlightened self-interest may have something to do with it ; that the priest, as Sir S. Morton Peto tells us, may march to the polls at the head of his flock, and vote with them for the Government ; that he may discountenance the Fenians ; that the diffusion of knowledge may teach the poor to respect superiors, or to communicate with friends across the sea, and aid them in securing happier homes and in realizing better fortunes abroad. Be this as it may, the movement is in the right direction, tends to ameliorate the laws, and gradually improve the condition of the poor on both sides of the channel.

As respects the extent of our foreign trade compared with that of England, Mr. Gladstone was no doubt right in his report to Parliament ; but he omitted, as well he might, to draw attention to the development of our vast inland commerce by sound, river, lake, canal and railway.

In British commerce if a vessel crosses from England to Germany or Portugal she is met by duties ; the trip is a foreign voyage, and both the cargoes transported enter into external commerce ; but if our ships make voyages to the Delaware or Chesapeake, or the Atlantic cotton ports, or to the Gulf of Mexico, a distance it may be of a thousand miles or more ; or if they round the Cape and run seventeen thousand miles to California, Oregon or Washington Territory, all this with us is coastwise or internal commerce. In this great home trade we exchange most of our importations as well as manufactures for the productions of our mines and agriculture. Their aggregate amount by the census of 1860, was nearly five thousand millions ; and now with due allowance for the war they must exceed six thousand millions. Concede that the foreign trade of

Great Britain is annually \$2,000,000,000 ; concede that \$1,000,000,000 more of the commerce of her colonies and foreign possessions is not included in her returns of the commerce of the British Isles, the aggregate is but half the amount of the internal commerce of the United States, the great free trade of America.

The United States have, for their agriculture, an area thirty times as large as the British Isles, which yields the rice, sugar and tobacco of the South, with the wool, dairy products, animals and cereals of the North, most of which, from Maine to Texas, is competent to produce its harvest of Indian corn. When the Englishman is told that there are vast tracts in the West, on the borders of some of the rivers, that for half a century, without any fertilizer, have given the cultivator an annual crop of fifty bushels to the acre, and yield the nation annually 1,000,000,000 bushels of breadstuffs, he is slow to realize the fact ; still more, the well authenticated fact, that a single acre of maize has yielded two hundred bushels, and another 160,000 pounds of green food, and the same acre 35,000 pounds of dry fodder, and that its husks may be converted into cloth, paper and mattresses. When, in the remote future, population shall press even here upon the means of subsistence, we have a plant which can provide, from a single acre of highly-cultivated land, a man and his wife with cloth, paper and beds, with milk, cheese and butter, with animal and vegetable food sufficient for their maintenance. It is a further satisfaction to learn, that nature has been alike liberal in her mineral bounties. Not only has she placed beneath us rivers of oil, but gold, silver, mercury, lead, copper and iron.

Mr. Gladstone, in his recent statement to Parliament, suggests the policy of reducing the national debt before labor and active capital shall be withdrawn from England to other and more favored regions, and reminds his country that in less than a century its coal-fields, the chief source of its prosperity, will be entirely exhausted, if consumption continues to advance at its present rate of progress ; and at the same time apprizes it that the area of our coal-fields is at least thirty-seven times as large as that of the coal-fields of Great Britain, while we still resort to the forest for our fuel, and to our cataracts for water-

power, and consume annually less than one-third of the coal used in Great Britain.

At the present moment our nation calls upon each of its inhabitants for an average contribution of fourteen dollars to meet our expenses, the interest of our debt, and to reduce its principal, while Great Britain calls upon each of her people for eleven dollars only.*

In two or three years more we shall have reduced our interest-bearing debt to less than \$2,000,000,000, and our annual interest to \$100,000,000, our expenses to \$120,000,000. With a population of 40,000,000, we shall then require but five dollars and a half from each of our people, or one-half the amount contributed in Great Britain.

Before that happy hour arrives we have reason to anticipate the retirement of France and Austria from our Mexican frontier. It is safe to predict that we shall then be ready to adjust our unsettled accounts with Great Britain. This nation will not tamely submit to gross injustice, or invite a future repetition of national injuries, however desirous it may be to preserve the peace. Relying upon the justice of its cause, it will, for the last time, ask redress of England, and that redress, it may be predicted, will be given.

* By the issue of our bonds at par, we raised nearly as much money as Great Britain raised in her contest with Napoleon, but by 1869 our debt will be half that of Great Britain.

CONSULATE OF THE UNITED STATES OF AMERICA, }
At HALIFAX, N. S., 13th Nov., 1866. }

E. H. DERBY, Esq., *U. S. Commissioner* :

DEAR SIR:—It having been claimed that the coasting-trade of the British Provinces is conceded to vessels belonging to the United States, I deem it important for the information of our government and people, to call your attention to the Imperial Act upon this subject, which absolutely prohibits American, as well as all other *foreign* vessels, from any participation in the coasting-trade of *any of the British possessions*.

The language of the Imperial Act, (16 and 17 Victoria, Chapter 107, Section 163,) is as follows: "No goods or passengers shall be carried from one part of any British possession in Asia, Africa or America to any other part of the same possessions except in *British ships*." It is true that American vessels can go from one British colony to another as, for instance, from Halifax, Nova Scotia to St. John, New Brunswick, and from St. John to Melbourne, Australia; but each of these colonies, although forming a part of the British empire, is under a separate colonial government, and has its separate tariff, separate currency and separate custom-house regulations. And in each and all of them, by the Imperial Act, American and other foreign vessels are prohibited from carrying either goods or passengers from one port to another port of the same colony.

It may be important to add, that although American vessels may to-day proceed from *province* to *province*, yet should the confederation of the British North American Provinces now proposed be consummated, even this limited privilege will be liable to be taken away, unless some provision be made to perpetuate the rights which we now enjoy.

I am, with great respect,
Your friend and obedient servant,

(Signed,) M. M. JACKSON,
U. S. Consul.

EXTRACTS FROM "VANCOUVER'S ISLAND AND
BRITISH COLUMBIA."

BY MACFIE.—LONDON, 1864.

Victoria is more flourishing and populous than any other centre in this or the sister colony, and is palpably marked out by the unrivalled advantages of its geographical position for the grand British mercantile emporium of the Pacific in coming years. Nothing could exceed the loveliness of its environs. Whether approached by land or by sea from Esquimaux, the gentle slope on which it stands exhibits, with fine effect, the buildings of all forms and colors that continue to rise in quick succession.

Large patches of excellent land exist in the vicinity, and in whatever direction the admirer of nature turns, his vision is charmed with scenery charmingly diversified.

The climate of the island is rendered proverbially genial, productive and salubrious, from an interesting variety of causes. The temperature of the Pacific coast generally is known to be much milder than that which obtains on the corresponding shores of the North American Continent in the Atlantic. The isothermal line belonging to latitude 40° in the latter ocean passes through the parallel of 55° in the former, thus rendering the climate of Fort Simpson equal to that of New York. For lucid illustrations of this principle, the reader is directed to consult the instructive work of Lieut. Maury, entitled "The Physical Geography of the Sea." But the insular position of this colony, with other local circumstances, combine to secure for it a climate of singular equability.

The salt springs existing on Admiralty Island and at Nanaimo, have already been referred to in this volume. A gallon of water from the latter place, when analyzed, produced a pound of salt, while sea-water only yields $4\frac{1}{2}$ ounces. The spring on the island is capable of supplying a gallon a minute, the specific gravity of the water being 10.60.

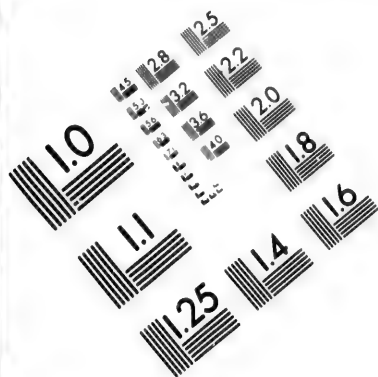
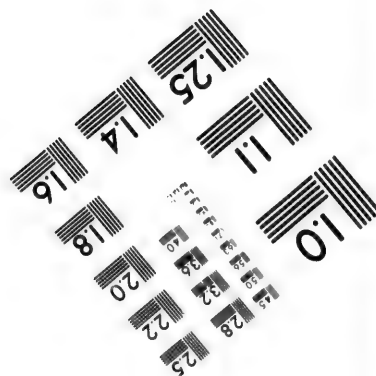
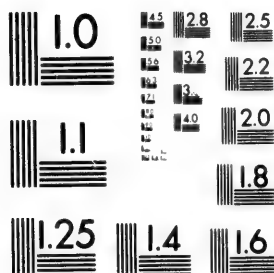
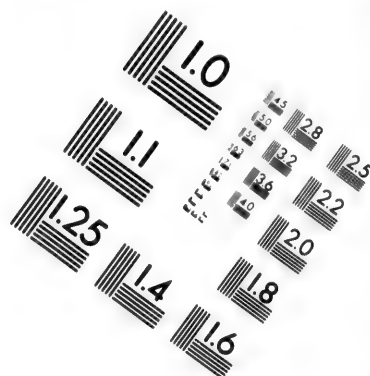


IMAGE EVALUATION TEST TARGET (MT-3)



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After passing about twenty miles of coast-line from the north end of this island, we arrive at Nanaimo, which is distant seventy miles from Victoria. The harbor of this infant town ranks next to that of Victoria in importance, and affords accommodation for a large number of vessels. Brine springs exist here also, and the analysis of their waters gives a result of 3.446 grains of salt to the imperial gallon.

But it is to the extensive coal formation in the vicinity that Nanaimo has to look for its ultimate expansion. The coal-mines here, even at their present early stage, give steady employment to several hundred men. Formerly the property of the old Hudson's Bay Company, they were recently transferred to an enterprising joint-stock association in England, distinguished by vigor immeasurably beyond their predecessors. Other companies have set to work upon seams contiguous to those of the Nanaimo concern, and the period cannot be far removed when a large export trade in this article will be carried on between American territory and the Colony.

In pursuing our course along the south-east coast of the island, we pass the agricultural settlements of Sooke and Metchosis; the former, within the past few months has, by the discovery of coal and copper, but especially of gold, been changed from a scene of rural quiet into a hive of busy industry. Soon we come in sight of the magnificent harbor of Esquimault, distant eight and a half miles from Race Rocks. It is two miles by three in extent, with an average depth from six to eight fathoms of water, and affording unquestionably the most perfect shelter to ships of large tonnage that can be obtained between this locality and San Francisco—750 miles farther south. In this capacious place of anchorage, a portion of H. M. Pacific squadron already rides, and eventually Esquimault is certain to assume the position of chief depot for the Royal Navy in that ocean. Here, steamers from California land freight and passengers, and in future years the present village will expand into the dimensions of an important town, whose wharves will be gay with the shipping of all nations, and lined with numerous wholesale warehouses for the accommodation of merchandise from the East and the West, to be distributed to every country on the North American coast of the Pacific.

Three miles eastward of Esquimaux are the city and harbor of Victoria. The entrance to the harbor, which is narrow and intricate, may, without the least danger, be approached by vessels drawing fourteen or fifteen feet of water, under ordinary circumstances. At the top of spring tides, vessels drawing seventeen feet can enter. A dredging-machine has been procured, by means of which the depth will be increased; and arrangements are about to be made for blasting some rocks at the mouth of the harbor, which constitute the principal obstruction to its safe navigation. The inlet which forms an extension of Victoria harbor, is several miles long, and at one point is separated from Esquimaux harbor by a neck of land only 600 yards in width, through which it is not improbable that, when the growing necessities of commerce demand, a canal may be cut, so that the two ports would, in that event, be conveniently connected.

Those anxious to see British Columbia and Vancouver Island colonized by emigrants from Great Britain, hailed the reconstruction of the Hudson's Bay Company as likely to bring about a solution of the difficulties that had so long retarded the settlement of the interior, and to inaugurate a policy favorable to the realization of hopes deferred, respecting the formation of a highway from ocean to ocean.

But the remarks of the governor of the company, Sir Edmund Head, at a meeting of the shareholders, held on the 28th of November last, are calculated to excite the inquiry whether the dependence we have been encouraged to place on the liberal promises of the company has any solid foundation.

In reply to the question of a shareholder, as to the intention of the directors in reference to the opening up of the territory east of the Rocky Mountains, Sir Edmund, with less official reticence than might have been expected on such an occasion, said: "They (the company,) would do all they could to open the territory, and to cause roads to be made, on such terms as the company could afford; but it was not intended by them to sacrifice the fur trade."

He asked, "Were the proprietors prepared to sacrifice that trade, producing a certain income, and to go headlong into another, as a speculation?"

In the earlier part of the proceedings the governor said that:—

“At the present moment the fur trade was not a failing trade; on the contrary, the proceeds had been increasing for some little time back. The actual proceeds of the fur trade in 1861, amounted to £210,509 19s. 2d.; in 1862, to £216,708 9s. 9d.; in 1863, to £222,729 15s. 5d.; and in 1864, to £262,869 4s. 4d. (Cheers.)

“At that moment they had every reason to think that the imports of the present year, (not yet made up,) would considerably exceed those of the last. They would probably be £30,000 or £40,000, above the imports of the last year in value.”

“Some exertion has been made by the British government during the last forty years, in aiding the passage of needy subjects abroad; but it has generally been confined to periods of famine or industrial distress, and as much care has not in all cases been taken as concern for national advantages should have prompted, to give our colonies the benefit of this tide of emigration. In the year 1847, and subsequently, the bulk of emigrants from Ireland were sent to the United States. It is probable that those objects of British bounty would be the last to find fault with their destiny in this respect.”

“That, under these circumstances, the railway will be made sooner or later there can be no doubt. With interests so numerous, so vast, and with such means at command, the difficulty of constructing this Hudson’s Bay Railway ought to assume the most moderate proportions. Great Britain, Europe, Canada, the States of America, British Columbia, New Zealand, Australia, the Hudson’s Bay Company, and the International Financial Society, all want the railway, and would all gain by the railway; and it would be amazing if, with such interests and such resources, it could not be made and made properly. In India, state guarantees have been given, and are promised upon railway capital, sufficient to construct this line ten times over; and it is a question whether any one Indian railway is more useful than this, even for State purposes.

“Here, where the climate is the most healthful of the Continent, within territories still acknowledging the flag of England, still

forming part of the empire, the most interested of any nation in quick and in secure communication with the East, and in whatever tends to advance the cause of civilization and of commerce ; here nature has marked out the line across the continent, and has abundantly combined every facility for its completion.

Whether our place of starting be Europe, the west coast of Africa, the West Indies, or the eastern coast of the North American Continent ; if our goal be the Pacific or the East, our best route, nay, almost our only one, is across the great plain of Central British America. There is, in fact, the point of junction where all the traffic of the continent from the South, from the East, and even from the North, most naturally unites ; if its destination be the yet further West, until that word is lost in its aim and goal, the East or the antipodes. We are hemmed in to this position. We cannot alter the earth's spheroidity ; we cannot change relative distances ; we cannot do away with the physical conformation of the earth. We cannot, though we may nearly double the distance, get rid of the great arid and rainless desert in the territory of the adjoining republic.

Adjoining are the new territories of the United States, ready to pour in their contributions and their wealth. Whether from Minnesota by the Red River, or by the Mississippi from the States of the South, and from any point, in fact, between New Orleans and the northern extremity of Maine, from Canada, or from the Gulf Provinces ; even if we look to the far north, if the utmost abbreviation of distance has been the object, and the far East the goal, by taking advantage of the proper season we may shorten the distance from Europe 1,500 miles, by proceeding across Hudson's Bay. But from wherever we may come, we necessarily unite in that great stream of traffic that, bound for the Pacific or the East, meets on the plains of the Red River, or the Saskatchewan. It is a simple fact, but one that must exert an irresistible force in favor of this route."

Mr. Mac Fie gives the following extract from the speech of the late Mr. Benton, in the Senate on the Ashburton treaty :—

"When the line reaches the channel which separates Vancouver Island from the continent (which it does within eight miles of Fraser River,) it proceeds to the middle of the chan-

nel, and thence turning south through the channel De Haro, (wrongly written Arro on the maps,) to the Straits of Fuca; and thence west through the middle of that strait to the sea. This is a fair partition of those waters, and gives us everything that we want; namely, all the waters of Puget Sound, Hood's Canal, Admiralty Inlet, Bellingham Bay, Birch Bay, and with them the cluster of islands,* probably of no value, between De Haro Canal and the continent."

EXTRACT FROM THE VOYAGE OF DISCOVERY OF

A. MACKENZIE.

From Slave Lake to the Pacific—1793.

"PEACE RIVER, Lat. 56, Long. 120, May 10.

"From the place which we quitted this morning, the west side of the river displayed a succession of the most beautiful scenery I had ever beheld. The ground rises at intervals to a considerable height, and stretching inwards to a considerable distance; at every interval of pause in the rise, there is a very gently ascending space or lawn, which is alternate with abrupt precipices to the summit of the whole, or, at least as far as the eye could distinguish. This magnificent theatre of nature has all the decorations which the trees and animals of the country can afford it; groves of poplars in every shape vary the scene, and their intervals are enlivened with vast herds of elks and buffaloes, the former choosing the steeps and uplands and the latter preferring the plains.

"At this time the buffaloes were attended with their young ones, who were frisking about them; and it appeared that the elks would soon exhibit the same enlivening circumstance.

"The whole country displayed an exuberant verdure; the trees that bear a blossom were advancing fast to that delightful appearance, and the velvet rind of their branches reflecting oblique rays of a rising or setting sun, added a splendid gaiety

* It will be seen by the map, that this cluster includes San Juan.

to the scene, which no expressions of mine are qualified to describe.

"The east side of the river consists of a range of high land, covered with the white spruce and the soft birch, while the banks abound with the alder and the willow."

"Lat. 56.16, Long. 122, May 17th.

"Mr. Mackay and one of the young men killed two elks, and mortally wounded a buffalo; but we only took a part of the flesh of the former.

"The land above the spot where we encamped spreads into an extensive plain, and stretches on to a very high ridge, which, in some parts, presents a face of rock, but is principally covered with verdure, varied with the poplar and white birch tree. The country is so crowded with animals as to have the appearance, in some places, of a stall-yard, from the state of the ground, and the quantity of dung which is scattered over it. The soil is black and light.

"We this day saw two grizzly and hideous bears."

RAILWAY EXTENSION AND ITS RESULTS.

BY R. DUDLEY BAXTER, M. A.

[Read before the Statistical Society, November 20, 1866, Col. SYKES, M. P. in the Chair.]

VIII.—RAILWAYS IN BELGIUM AND HOLLAND.

Belgium is one of the most striking instances of the benefit of railways. In 1830 she separated from Holland, a country which possessed a much larger commerce and superior means of communication with other nations by sea and by canals. Five years later the total exports and imports of Belgium were only £10,800,000, while those of Holland were double that amount. But in 1833 the Belgium government resolved to adopt the railway system, and employed George Stephenson to plan railways between all the large towns. The law authorizing their construction at the expense of the state passed 1834, and no time was lost in carrying it out. Trade at once received a new impetus, and its progress since that time has been more rapid than in any other country in Europe.

The following table shows the activity with which the lines were constructed. We must remember that Belgium contains only one-tenth of the area of the United Kingdom, and that to make a fair comparison with our own progress we must multiply the table by ten.

Miles Constructed.

YEAR.	Miles open.	Increase per annum Miles.
1839,	185	25 48 45 78
1845,	335	
1853,	720	
1860,	1,037	
1864,	1,350	

Hence, the progress for a State of the size of the United Kingdom would have been,—

1839 to 1845,		250 miles a year.
1845 to 1853,		480 “
1853 to 1860,		450 “
1860 to 1864,		750 “

A rate of increase which is as great or greater than our own.

The results on commerce are shown in the following table:—

Exports and Imports.

Y E A R.	Exports and Imports.	Increase per cent.	Increase per cent. per annum.
1835,	£10,760,000	45·72	11·43
1839,	15,680,000		
1845,	26,920,000	71·4	11·9
1853,	47,760,000	77·41	9·67
1860,	72,120,000	51	7·3
1864,	97,230,000	35·83	9

I need scarcely point out the extraordinary character of this increase, which is enormous in the first ten years, and far beyond either England or France, and is not inferior to us in the latter period. In the thirty years from 1835 to 1864, Belgium increased exports and imports nearly tenfold, while England increased hers only fivefold. If we have increased our commerce in the same ratio, the English exports and imports would now be a thousand million pounds sterling. The proportion between exports and imports and means of communication is shown in the following table, which differs from those of England and France, in the rapid increase per mile:—

Proportion of Exports and Imports to Railways and Navigation.

Y E A R.	Canals (910 miles) and Railways open.	Exports and Imports.	Exports and Imports per mille open.
1839,	1,055	£15,680,000	£14,862
1845,	1,205	26,920,000	22,340
1853,	1,590	47,760,000	30,037
1860,	1,907	72,120,000	37,818
1864,	2,220	97,280,000	42,919

This enormous increase of Belgian commerce must be ascribed to her wise system of railway development, and it is not difficult to see how it arises. Before railways Belgium was shut out from the continent of Europe by the expensive rates of land carriage, and her want of water communication. She had no colonies and but little shipping. Railways gave her direct and rapid access to Germany, Austria and France, and made Ostend and Antwerp great continental ports. One of her chief manufactures is that of wool, of which she imports 21,000 tons, valued at £2,250,000, from Saxony, Prussia, Silesia, Poland, Bohemia, Hungary, Moravia, and the southern provinces of Russia; and returns a large portion in a manufactured state. She is rapidly becoming the principal workshop of the continent, and every development of railways in Europe must increase her means of access and add to her trade.

Now look at Holland which in 1835 was so much her superior. Holland was possessed of immense advantages in the perfection of her canals, which are the finest and most numerous in the world; in the large tonnage of her shipping; in her access by the Rhine to the heart of Germany; and in the command of the German trade, which was brought to her ships at Amsterdam and Rotterdam. The Dutch relied on these advantages and neglected railways. The consequence was, that by 1850, they found themselves rapidly losing the German trade which was being diverted to Ostend and Antwerp. The Dutch Rhenish railway was constructed to remedy this loss, and was

partly opened in 1853, but not fully till 1856. It succeeded in regaining part of the former connection.

But now look at the result. In 1839, the Dutch exports and imports were £28,500,000, nearly double those of Belgium. In 1862, they were £59,000,000, when those of Belgium were £78,000,000. Thus while Holland had doubled her commerce, Belgium had increased fivefold, and had completely passed her in the race. Before leaving Belgium, I ought to mention the cheapness of fares on her railways, which have always been much below those on English lines. A further reduction has lately been made, and I see by a French paper, that the result has been to increase the passenger receipts on the State lines for the month of April, from 76,936 frs. in 1865, to 198,345 frs. in 1866, of which 168,725 frs. was from third and fourth class passengers, a fact which is in favor of the plan of Mr. Galt.

But it must be remembered that Belgium is the most densely populated country in the world, having 432 inhabitants to the square mile, while the United Kingdom has only 253, and England and Wales 347.

IX.—RAILWAYS IN THE UNITED STATES.

In any paper on foreign railways it is impossible to omit the United States, a country where they have attained such gigantic proportions.

The increase of United States lines is as follows :—

Miles Constructed.

Y E A R.	Total mileage.	Increase per annum—Miles.
1830,	41	215
1840,	2,197	465
1845,	4,522	590
1850,	7,475	1,984
1855,	17,398	2,274
1860,	28,771	1,272
1864,	33,860	

The mileage here shown is something enormous ; four times that of France, two and a half times that of England, and nearly as large as the total mileage of the United Kingdom and Europe, which is about 42,000 miles. In so young a country inland traffic gives these lines the greater part of their employment, and there are no masses of expensive manufactured goods as in England, or Belgium, to swell the total value of foreign trade. Foreign commerce is still in its infancy, but an infancy of herculean proportions, as the following table shows :—

Increase of Exports and Imports.

Y E A R .	Total Exports and Imports.	Increase per cent.	Increase per cent. per annum.
1830,	£31,000,000	47.60 50.00 62.60 42.00	3.40
1844,	45,759,000		8.33
1850,	68,758,000		12.52
1855,	111,797,000		8.40
1860,	158,810,000		

The advance in the annual increase is very striking, being from three and one-half per cent. per annum in the infancy of railways to eight and one-twelfth per cent. when their extension was proceeding rapidly. Before the introduction of railways America possessed a very extensive system of canals, which amounts to nearly 6,000 miles. At the present time both canals and railways are crowded with traffic.

The following table shows the relation between the growth of trade, and the increase of means of communication :—

Proportion of Exports and Imports to Railways and Canals.

Y E A R .	Canals (6,000 miles) and Railways open.	Total Exports and Imports.	Exports and Imports per mile.
1830,	6,040	£31,000,000	£5,130
1844,	10,310	45,759,000	4,437
1850,	13,475	68,758,000	5,102
1855,	23,398	111,797,000	4,778
1860,	34,770	158,810,000	4,567

Thus, in the United States as well as in England, France and Belgium, the exports and imports bear a distinct relation to the miles of communication open, but lower in amount than in the European countries, as was only likely from the thinner population. Vast as is the mileage of the American railways, it is by no means at its highest point.

I must not omit to mention the great Pacific railways, one of which is now being constructed from the State of Missouri for a distance of 2,400 miles across Kansas, Nebraska, Utah and Nevada, to San Francisco in California. It receives from the general government subsidies of £3,300, £6,600 or £9,900 per mile, according to the difficulty of the ground, besides enormous grants of land on each side of the line. When this railway is completed, the journey from Hong Kong to England will be made in thirty-three days, instead of the present time of six weeks, and it is anticipated that a large portion of our Chinese traffic will pass over this route. No one can study the United States without being struck by the great railway future which lies before them, when their immense territories are more thickly peopled, and their mineral resources and manufactures have been developed. The distances to be traversed are so vast, and the traffic to be carried will be so enormous, that the railways of the United States will far exceed in extent, and in the trade which will pass over them, anything which has hitherto been known in the history of the world.

X.—RAILWAYS AND FREE TRADE.

In the preceding sections I have endeavored to describe the progress of railway extension in England, France, Belgium and the United States, the four countries where it has received the greatest development, and I have pointed out the very great increase of commerce and national property which has been its result. But in the case of England I am bound to meet a very probable objection. I shall be asked, Why do you attribute this increase of commerce to railways? Was it not caused by free trade? The general opinion undoubtedly is, that free trade is the principal cause of the immense increase, since 1842, of English commerce. We see this opinion expressed every day in newspapers and reviews, in speeches and parliamentary papers. I hold in my hand a very able memorandum, lately issued by

the Board of Trade, respecting the progress of British commerce before and since the adoption of free trade, in which the same view is taken, and which the statistics of the exports and imports, since 1842, are given as mainly the result of free trade. It is true, that there is a reservation, acknowledging "that the increase of productive power, and other causes, have materially operated in effecting this vast development." But in the newspaper quotations and reviews this reservation was left out of sight, and the striking results recorded in the memorandum were entirely ascribed to free trade.

While acknowledging to the full the great benefits and the enlightened principles of free trade, I have no hesitation in saying that this popular view is a popular exaggeration, which it is the duty of statisticians to correct; and I think that my reasons will be considered satisfactory by this society.

In the first place, the development of English commerce began in 1834, before free trade, but simultaneously with railways; and between 1833 and 1842 the exports and imports increased from a stationary position at £85,500,000 to £112,000,000, or 31 per cent. In the next place, from 1842 till 1860, England was the only country which adopted free trade. If England had also been the only country that made such enormous progress, we might safely conclude that free trade was the chief cause of so great a fact. But this is not the case. England is only one of several countries which made an equal advance during the same period, and none of those countries except England had adopted free trade. The total increase of exports and imports from 1842 to 1860, in the first three countries described in this paper, and from 1844 to 1860 in the United States, was as follows:—

COUNTRIES.	1842.	1860.	Increase per cent.
England,	£112,000,000	£375,000,000	234
France,	86,280,000	232,200,000	169
Belgium,	19,400,000	72,120,000	272
	1844.	1860.	
United States, . . .	45,757,000	158,810,000	305

Thus, the English rate of increase is only third in order, and is exceeded both by Belgium and the United States. If the latter country is objected to on account of its rapid growth in population by immigration, still Belgium remains exceeding the English rate of increase by 36 per cent.

Look at the argument by induction. Here are four countries under the same conditions of civilization, and having access to the same mechanical powers and inventions, which far outstrip contemporary nations.

It is a probable conclusion that the same great cause was the foundation of their success. What was that common cause? It could not be free trade; for only one of the four countries had adopted a free trade policy. But there was a common cause which each and all of those four countries had pre-eminently developed—the power of steam—steam machinery, steam navigation and steam railways.

I say, then, that steam was the main cause of this prodigious progress of England, as well as of the other three countries. But I will go a step farther. Steam machinery had existed for many years before 1830, and before the great expansion of commerce. Steam navigation had also existed for many years before 1830, and before the great expansion of commerce, and steam navigation was unable to cope with the obstacle which, before 1830, was so insuperable, viz., the slowness and expense, and limited capacity, of land carriage. I come, then, to this further conclusion, that the railways which removed the gigantic obstacle, and gave to land carriage such extraordinary rapidity and cheapness, and such unlimited capacity, must have been the main agent, the active and immediate cause, of this sudden commercial development. Each expansion of the railway system has been immediately followed, as if by its shadow, by a great expansion of exports and imports.

We ought to give railways their due credit and praise, as the chief of those mighty agents which, within the last thirty years, have changed the face of civilization.

UNITED STATES CONSULATE, PICTOU, N. S., }
November 17, 1866. }

E. H. DERBY, ESQ., *U. S. Commissioner.*

SIR,—In accordance with my promise, I send you a few statistics which may be useful in your forth-coming Report to government.

Since the abrogation of the Reciprocity Treaty, the falling off in the amount of importations from the United States is very large, and the amount of exports of the great staple (coal,) falls far short of what it has been in former years. The trade at this port has undergone a very great change. Up to the present year, we have had upon an average eighty American vessels here, in a season; this year there have been but SEVEN. This is owing to the heavy duty on coal, (\$1.25 per ton in gold,) and the low rates of freight. The amount of coal shipped to the United States from this port for the year ending September 30, is 117,676 tons, falling short of last year about 47,000 tons.

Cape Breton Mines.

Lingan Mines—Imports from United States, . . .	\$700 00
Exports to U. S. (47,442 tons coal,) . . .	107,644 00

International Mines—Imports from United States, . . .	1,000 00
Exports to " " . . .	30,000 00

Little Glace Bay—Imports from United States, . . .	4,070 00
Exports to " " (coal,) . . .	78,000 00

Cow Bay—For quarter ending 30th September.

Imports from United States, . . .	298 00
Exports to " " . . .	101,405 00

I give you, as my private opinion, that a reduction in the tariff of the United States, would have a tendency to increase trade and bring about a better state of feeling; the duty on coal is exorbitant, and operates adversely to the interest of our countrymen, as the largest portion of capital invested in coal mines, in this province, is American.

Previous to the abrogation of the Reciprocity Treaty, thousands of barrels of American flour were imported into this province; since that event, we cannot count by hundreds; Canada has now the monopoly. American apples were shipped to this port formerly in large quantity; this year not *one* barrel has been imported, the duty here being one dollar in gold.

If I can furnish you with any further facts, I shall be most happy.

I have the honor to remain,
Your most obedient servant,

B. HAMMATT NORTON, *Consul*.

Principal Imports into Nova Scotia from the United States of articles free of duty, in eleven years, 1854 to 1864, inclusive.

Apples and Pears, (barrels,) .	42,979 ;	value, \$120,805 00
Beef, " .	13,879 ;	" 157,147 00
Butter, (pounds,) . . .	571,849 ;	" 105,789 00
Cheese, " . . .	294,993 ;	" 35,916 00
Flour, (barrels,) . . .	2,262,662 ;	" 14,584,182 00
Lard, (pounds,) . . .	1,783,800 ;	" 178,380 00
Pork and Hams, (barrels,) .	57,583 ;	" 987,778 00
Total imports from United States, . . .		35,450,108 00
" exports from Nova Scotia, to U. S. . .		21,854,518 00

Principal Exports from Nova Scotia to the United States in the same period.

Coal,	\$4,503,707 00
Codfish,	1,030,252 00
Herring,	497,185 00
Mackerel,	1,225,014 00
Potatoes,	1,373,372 00

STATISTICS OF THE PROVINCES.

CONDENSED FROM THE YEAR BOOK AND OTHER SOURCES.

CENSUS OF BRITISH NORTH AMERICA.

I.—ENUMERATION.

THE last Census of Canada, Nova Scotia, New Brunswick and Prince Edward Island, was taken in 1861; that of Newfoundland in 1858. The population of these colonies was then found to be:—

	Males.	Females.	Total.
Upper Canada,	725,575	670,516	1,396,091
Lower Canada,	507,864	543,702	1,111,566
New Brunswick,	129,948	123,099	252,047
Nova Scotia,	165,584	165,273	330,857
Prince Edward Island,	40,880	39,977	80,857
Newfoundland,	65,118	58,170	124,288
Totals,	1,694,969	1,600,737	3,295,706

Since the previous Census, the population had been increasing at the annual rate of:—

In Upper Canada,	4.34 per cent.
Lower Canada,	2.50 “
New Brunswick,	2.60 “
Nova Scotia,	1.82 “
Prince Edward Island,	2.07 “
Newfoundland,	1.50 “

Supposing the increase to have since continued at the same rate, in all the colonies excepting Newfoundland, where exceptional causes have interfered with the progress of population,

the *number* of residents in British America in January, 1867, will be about *four million*, distributed,—

In Upper Canada,	1,802,056
Lower Canada,	1,288,880
New Brunswick,	295,084
Nova Scotia,	368,781
Prince Edward Island,	91,443
Newfoundland,	130,000
Total,	3,976,244

Were the same increase to continue until 1,900—just one more generation, the population would be 11,977,000.

The natives of the Provinces largely outnumber those born abroad, the proportion of different origins being,—

Natives of British America,	79 per cent.
of Ireland,	9 “
of England and Wales,	41 ² “
of Scotland,	41 ² “
of Foreign countries,	3 “
	100 “

The numbers are shown in the following table :—

	Natives of the Provinces.	Natives of Eng- land and Wales.	Natives of Ire- land	Natives of Scot- land.	Natives of For- eign Countries.	Total.
Upper Canada,	911,963	114,014	191,431	98,892	78,891	1,396,091
Lower Canada,	1,017,925	13,821	50,337	13,204	16,279	1,111,566
New Brunswick,	208,166	4,909	30,179	5,109	3,594	252,047
Nova Scotia,	299,335	3,188	9,313	16,395	2,626	330,857
Prince Edward Island,	66,800	2,619	5,171	5,903	364	80,857
Newfoundland,	111,874	3,916	7,733	624	141	124,288
Total,	2,616,063	143,367	294,164	140,217	101,895	3,295,706

It is not easy to ascertain with certainty the descent of the native population.

Those of French origin were enumerated separately in the census of Canada and Nova Scotia, and Mr. Rameau, in his work "*La France aux Colonies*," gives a careful estimate for the other Provinces. Putting together the figures obtained from both these sources, we have as of French origin,—

In Upper Canada,	33,287
Lower Canada,	847,320
New Brunswick,	25,000
Nova Scotia,	20,859
Prince Edward Island,	15,000
Newfoundland,	20,000
Total,	961,466

At the date of the last census, there were probably, in the various provinces, a million of people of Irish descent, and the remainder—say a million and a quarter—were about half of Scottish, half of English parentage.

II.—CREED.

The census table gives at some length statements of the religious belief of the people of the Provinces. Condensing them into ten heads, we have the following as the proportion in which various creeds are held :—

Church of Rome,	44 $\frac{1}{2}$	per cent.
Church of England,	15 $\frac{3}{4}$	"
Presbyterians,	15 $\frac{1}{2}$	"
Wesleyans and Methodists,	14	"
Baptists,	5 $\frac{3}{4}$	"
Lutherians,	$\frac{3}{4}$	"
Congregationalists,	$\frac{1}{2}$	"
Miscellaneous creeds,	2 $\frac{1}{4}$	"
Of no religion,	$\frac{1}{2}$	"
Creed not stated,	$\frac{1}{2}$	"
Total,	100	"

The respective numbers are as follows :—

	Church of Rome.	Church of England.	Presbyterians.	Wesleyans and Methodists.	Baptists.	Lutherans.	Congregationalists.	Miscellaneous Creeds.	Of no religion.	No creed stated.	Total.
Upper Canada, . . .	258,141	311,565	303,384	341,572	61,559	24,299	9,357	60,718	17,373	8,123	1,396,091
Lower Canada, . . .	943,253	63,487	43,735	30,660	7,751	857	4,927	9,691	1,477	5,728	1,111,566
New Brunswick, . . .	85,238	42,776	36,072	25,637	57,730	113	1,290	2,664	10	517	252,047
Nova Scotia, . . .	86,281	47,744	88,755	34,055	62,040	4,382	2,183	3,103	-	2,314	330,857
Prince Edward Island, . . .	35,852	6,785	25,862	5,804	3,450	-	-	2,515	-	589	80,837
Newfoundland, . . .	57,214	43,185	838	20,660	-	-	347	44	-	-	124,288
Totals, . . .	1,465,979	517,542	498,646	458,388	192,530	29,651	18,104	78,735	18,860	17,271	3,295,706

III.—OCCUPATION.

	Farmers.	Mechanics and Handicraftsmen.	Laborers including Lumbermen.	Trade and Commerce.	Mariners and Fishermen.	Miners.	Professional men.	Miscellaneous.	Total.
Upper Canada, . . .	132,562	53,210	119,516	13,543	1,157	240	4,393	13,622	338,243
Lower Canada, . . .	106,140	34,965	70,081	12,996	8,110	138	3,247	12,718	248,395
New Brunswick, . . .	35,001	11,181	15,267	3,151	2,765	164	1,304	1,566	70,339
Nova Scotia, . . .	47,249	15,916	5,045	2,929	12,977	665	1,175	2,697	88,653
Prince Edward Island, . . .	20,000	1,000	1,000	500	2,300	-	100	-	24,900
Newfoundland, . . .	1,697	1,973	334	694	62,342	-	148	-	67,188
Totals, . . .	342,649	118,245	211,243	33,813	89,651	1,207	10,367	30,543	837,718

IV.—PRODUCTS OF INDUSTRY.

The year 1860 was not at all remarkable for the excellence of its harvest or the abundance of products of any kind. The census of 1861, therefore, does not present an exaggerated view of the reward which Providence usually gives to the industry of our people. The following table shows the agricultural product of 1860:—

	Wheat, bush.	Barley, bush.	Oats, bush.	Eckwheat, bush.	Indian Corn, bush.	Potatoes, bush.
Upper Canada,	24,620,425	2,821,962	21,220,874	1,248,637	2,256,290	15,325,920
Lower Canada,	2,634,354	2,281,674	17,551,296	1,250,025	334,861	12,770,471
New Brunswick,	279,775	94,679	2,656,883	904,321	17,420	4,041,339
Nova Scotia,	312,081	269,578	1,978,137	195,340	15,529	3,824,864
Prince Edward Island,	346,125	223,195	2,218,578	50,127	-	2,972,335
Newfoundland,	1,000	933	9,038	-	-	571,430
Total,	28,213,760	5,692,021	45,634,806	3,648,450	2,624,100	39,506,359

	Peas, bush.	Turnips, bush.	Hay, tons.	Butter, lbs.	Wool, lbs.	Pork, lbs.
Upper Canada,	9,601,396	18,206,959	861,844	26,838,264	3,659,766	67,348,800
Lower Canada,	2,648,777	892,434	689,977	15,906,949	1,967,388	39,319,600
New Brunswick,	30,677	634,361	324,160	4,591,477	633,757	9,692,169
Nova Scotia,	21,333	554,318	334,287	4,532,711	700,000	5,000,000
Prince Edward Island,	-	348,784	31,088	711,485	250,000	7,000,000
Newfoundland,	-	12,832	16,297	134,968	20,000	1,700,000
Total,	12,302,183	20,649,691	2,257,653	52,705,854	7,230,911	130,060,569

The quantity of lumber cut in 1860 is not given with sufficient exactness in the census tables. The value of the fish caught in that year was about as follows:—

Upper Canada,	\$120,000
Lower Canada,	700,000
New Brunswick,	518,531
Nova Scotia,	2,562,000
Prince Edward Island,	272,000
Newfoundland,	5,002,531
Total,	\$9,173,063

V.—REALIZED WEALTH.

The census gives us some details on which to base a calculation of the value of property owned by the people of the Provinces. First let us give the number of horses and cattle. These were:—

	No. of Horses.	No. of Milch Cows.	No. of Neat Cattle.	No. of Sheep.	No. of Swine.
Upper Canada, .	377,661	451,640	563,688	1,170,225	776,001
Lower Canada, .	248,515	328,370	488,602	682,829	286,400
New Brunswick, .	35,347	69,437	92,025	214,092	73,995
Nova Scotia, . .	41,927	110,504	151,793	332,653	53,217
Prince Edward Isl.,	18,765	40,000	60,012	107,245	71,535
Newfoundland, .	3,509	6,924	12,962	10,737	17,551
Totals,	725,744	1,006,875	1,369,082	2,517,781	1,278,699

Making an estimate for certain details not given in the returns from all the Provinces (marked with an asterisk,) we obtain from the tables the following statement of the lands held, and their value:—

	ACRES OF LAND HELD.		Cash value of Farms.
	Improved.	Unimproved.	
Upper Canada,	6,051,619	7,303,288	\$295,162,315
Lower Canada,	4,804,235	5,571,183	171,513,009
New Brunswick,	885,108	2,902,416	31,169,948
Nova Scotia,	1,028,032	1,000,000	40,000,000
Prince Edward Island,	250,000	260,000	8,000,000
Newfoundland,	42,616	-	500,000
Totals,	13,061,610	17,036,887	\$546,345,330

Calculations respecting realized assets must necessarily be somewhat wild in any country exempt from government taxation upon its property. The municipal assessments in the various counties of even a single Province are not equalized: the statements given to the Census Commissioners are seldom accurate. Leaving out of view the value of the canals, harbors, light-houses and public buildings, constructed by the Governments at a cost of from \$35,000,000 to \$40,000,000, also of the railways of the Provinces, \$150,000,00, also of the gold and bank notes in circulation, also such doubtful matters as the speculative value of mining locations, &c., we may, however, put down as an approximate estimate of the realized property of British America:—

Value of farms,	\$546,000,000
of agricultural implements,	25,000,000
of real estate in cities, towns and villages,	200,000,000
of horses, cattle, &c.,	120,000,000
of paid up stock in banks,	40,000,000
of miscellaneous stocks,	50,000,000
of goods on hand in stores above debts due,	50,000,000
of other personal property,	75,000,000
of shipping,	30,000,000
Total,	\$1,136,000,000

PROGRESS OF POPULATION.

The census takings of the various Provinces have been numerous, but have not been conducted according to any one general plan, or indeed in the same years. To reduce the figures into a table which would show the general progress of the population of British North America, requires that one should take some liberties with them. The following may, however, be taken to be tolerably accurate:—

	1700.	1725.	1750.	1775.	1800.	1825.
Upper Canada, .	—	—	—	8,000	50,000	158,027
Lower Canada, .	14,000	29,000	54,500	96,000	225,000	450,000
New Brunswick, .	—	—	—	—	10,000	75,000
Nova Scotia, .	1,300	5,000	14,000	20,000	57,000	150,000
Prince Edward Isl.,	—	800	2,500	10,000	20,000	28,600
Newfoundland, .	500	5,000	10,000	16,000	10,000	45,759
Total, . . .	15,800	39,300	81,000	150,000	382,000	907,386

POPULATION OF BRITISH AMERICAN CITIES.

The population of the cities of British America, at the time of the last census, was as follows:—

Montreal, . . .	90,323	Ottawa, . . .	14,669
Quebec, . . .	51,109	Kingston, . . .	13,743
Toronto, . . .	44,821	London, . . .	11,555
St. John, N. B., .	27,317	Charlottetown, . .	6,706
Halifax, . . .	25,026	Three Rivers, . .	6,058
St. John's, Nfld.,	24,851	Fredericton, . . .	5,652
Hamilton, . . .	19,096	St. Hyacinthe, . .	3,636

These numbers have considerably changed since the census. Montreal and suburbs are now estimated to contain nearly 130,000 souls; and a great increase has undoubtedly taken place in the population of all the larger cities.

AREA, BOUNDARIES, &c.

Canada, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland occupy an immense extent of territory,—St. John's, Newfoundland, the most easterly capital, being 26° 80' east and 9° north of Toronto, the most westerly, the distance between the two being considerably over 1,000 miles. These countries, however, all belong to one geographical district, which may be called the Laurentian, each claiming a portion of the shores of the Gulf of St. Lawrence.

Canada lies principally on the north side of the St. Lawrence, and the north and east sides of Lakes Ontario, Erie, Huron and Superior. In part, also, on the south side of the St. Lawrence, stretching from near Montreal to the Bay of Chaleurs. Its northerly and westerly boundaries have not been fixed. It is bounded on the south by the territories of the United States, and New Brunswick. The area of Canada is given in official returns as 331,280 square miles, being 121,260 for Upper, and 210,020 for Lower Canada.*

New Brunswick is bounded by Canada, the Gulf of St. Lawrence, Nova Scotia, the Bay of Fundy, and the United States,—being divided from the latter by the St. Croix River. Its area is 27,105 square miles.

Nova Scotia is a peninsula connected with New Brunswick by a low, sandy isthmus. It is about 300 miles long, and about 100 miles broad at its widest. The Island of Cape Breton is now a part of Nova Scotia, the Gut of Canso, which divides them, being less than a mile in breadth. The coast of Nova Scotia is everywhere indented with arms of the sea, and no part of it is more than 20 miles from salt water. Area, including Cape Breton, 18,660 square miles.

* By the Proclamation of General Sir Alured Clarke, dated 18th November, 1791, the then Province of Quebec, under the provisions of the Imperial Act, 14 George III., was divided into the Provinces of Upper and Lower Canada. The Proclamation, accordingly, defines the line of boundary that divides them. By the Treaty of Peace of 1763, France ceded to Great Britain all the territory or country known and denominated as "la Nouvelle France," designating therein the boundaries of the countries so ceded, which subsequently have been affected in a greater or less degree by the Treaty of Washington of 1842, defining the boundary between Canada and the United States, and the Imperial Act, 14th and 15th Vict., chapter 63, defining the boundary between Canada and New Brunswick.

Prince Edward Island is about 140 miles long and 34 in its greatest breadth. Its coasts are like those of Nova Scotia, much indented by bays, and no part is more than 10 miles from the sea. Unlike Nova Scotia, which has a rock-bound shore, the coast of Prince Edward Island is of sand or mud. Area, 2,100 square miles.

The greatest length of Newfoundland is, from north to south, 350 miles; average breadth, 130. Coast bold and rocky. Area, 40,200 square miles.

The area of the five Provinces is as follows:—

Upper Canada,	121,260 square miles.
Lower Canada,	210,020 “ “
New Brunswick,	27,105 “ “
Nova Scotia,	18,660 “ “
Prince Edward Island,	2,100 “ “
Newfoundland,	40,200 “ “
Total,	419,345 “ “

If to this be added the area of Vancouver's Island, 20,000 square miles; British Columbia, 200,000 square miles; and Labrador, the Hudson's Bay, and North-West Territories with, say 2,750,000 square miles, we have a total for British North America of no less than 3,889,345 square miles.

The climate and productions of the Colonies are more dissimilar than might be inferred from the latitude of their settled districts. In the extreme west of Upper Canada, Indian corn can be raised with profit; peaches, grapes, and melons grow luxuriantly in the open air; but the district favored thus is small, and although the greater part of Canada is a suitable region for growing all the cereals, while wheat can be raised with care in every settled part of every colony, we find by the time we travel farther eastward than Quebec, that the people depend less and less upon the soil, until in Newfoundland they are almost exclusively concerned about the waters, and buy from other countries almost all their cereal and animal food. The winter's cold varies even more than the summer's heat. Snow rarely lies more than a month in the west of Upper Canada. In some parts of Canada East and the Labrador, it lies for five or six months every season.

The diversity of the mineral resources of the several Colonies is no less than that of their agricultural productions. The western peninsula of Upper Canada as yet alone yields petroleum; it has many valuable quarries, but few metallic ores. These, however, the shores of the upper lakes, central and eastern Canada, Nova Scotia, and probably Newfoundland and New Brunswick abundantly supply. Especially valuable are the copper mines of Canada and Newfoundland, and the gold and coal of Nova Scotia. Prince Edward Island is the worst off in this particular. It had to import from Nova Scotia not only the plans for its sole stone building, (the House of Parliament,) but even the materials.

This diversity is, however, a happy thing for all the Colonies. While the general severity of their climate enforces activity among their people, the variety of their resources prevents their inhabitants from confining themselves to one branch of industry.

BALANCE SHEETS OF THE SEVERAL PROVINCES,

Or, the Assets and Liabilities of British North America.

I.—CONDENSED BALANCE SHEET OF THE PROVINCE OF CANADA, ON JUNE 30TH, 1865.

Dr.			
Direct Debt Funded, viz. :—			
Imperial Guaranteed Loan, 4 per cent. int.,		\$681,333 34	
Debentures and Inscriptions, 5 per ct. int.,		33,743,540 88	
“ “ “ 6 “ “		26,076,510 25	
“ “ “ various rates,		385,400 00	
Indirect Debt, Funded,			\$80,886,784 47
Indebtedness to Trust Funds, viz. :—			857,866 64
School Funds,	\$2,096,663 37		
Indian Funds,	1,650,940 30		
Miscellaneous,	655,073 37		
Bank Accounts,			4,402,677 13
Miscellaneous Accounts,			4,135,331 30
Consolidated Fund,			794,515 76
			7,121,836 57
Total,			\$78,199,011 96

Balance Sheet of the Province of Canada—Continued.

Cr.		
Sinking Funds,		\$1,520,148 91
Public Works, viz.:—		
St. Lawrence Canals,	\$7,413,425 48	
Welland Canal,	7,386,545 53	
Chambly Canal and Richelieu River im-		
provements,	433,807 83	
Burlington Bay Canal,	303,328 32	
Lake St. Peter improvements,	1,157,235 08	
Ottawa Works,	1,208,368 37	
Improvement of the Trent,	558,506 20	
Harbors and Lighthouses,	2,564,686 70	
Roads and Bridges,	1,723,697 71	
Buildings at Ottawa, (Parliam't House, &c.,)	2,071,095 17	
Loans to incorporated companies,	142,154 52	
Miscellaneous works and buildings,	1,759,755 98	
		26,727,606 80
Due by Building and Harbor Funds,		857,866 64
Railway Accounts, viz.:—		
Grand Trunk Railway,	\$23,902,403 41	
Great Western Railway,	3,727,082 85	
Northern Railway,	3,504,520 90	
		31,134,013 16
Due by Trust Funds,		890,849 34
Municipal Loan Fund Accounts,		13,255,956 10
Bank of Upper Canada—special account,	\$1,200,000 01	
Bank Accounts, including Crown Lands		
Accounts,	700,569 91	
		1,900,569 92
Miscellaneous Accounts,		1,222,365 31
Consolidated Fund Investment Account,		689,635 69
Total,		\$78,199,011 96

II.—BALANCE SHEET OF THE PROVINCE OF NEW BRUNSWICK, ON OCT. 31ST, 1865.

The debt of New Brunswick has been incurred almost wholly for the construction of railroads. It is of two chief kinds—Debentures, held almost exclusively in England, and all bearing 6 per cent. interest; and debts to the Savings Bank Depositors at home, who receive 5 per cent. The financial year ends on Oct. 31st, and the following is a statement of the assets and liabilities at that date in 1865, since which time very little change has taken place:—

4 47
6 64

7 13
1 39
5 76
6 57
1 96

Dr.	
Debt—Funded: viz., Debentures, 6 per cent. interest, . . .	\$5,052,880
“ Floating: viz., to Savings Banks,	768,565
Sundry Special Funds,	101,810
	\$5,923,255
Cr.	
Public Work: viz.,* European & North American Railway, .	\$4,491,280
Stock in the New Brunswick & Canada Railway,	240,000
Invested on account of Savings Bank Deposits,	86,875
Sundry Bonds and Interest,	61,624
Cash and Bankers' Balances,	156,979
Balance not represented by any Assets,	886,497
	\$5,923,255

* The Lighthouses do not appear in the Provincial Balance Sheets, they being kept up out of a Special Fund by tonnage duties. The Province owns no steamers, piers, or wharves. All the ordinary roads and bridges belong to the Government, but have been built from the annual revenue, and their value does not appear on the Balance Sheet. If it were so included, it is probable that the balance would be on the other side of the account.

III.—CONDENSED BALANCE SHEET OF THE PROVINCE OF NOVA SCOTIA, ON 30TH SEPT., 1865.

The debt of Nova Scotia has been incurred almost exclusively on railway account. On Sept. 30th, 1865, the account stood as under:—

Dr.	
Debt—Funded: viz., Railway bonds, 6 p. c. interest, . . .	\$4,495,000
“ Floating: viz., Borrowed from Prov. Savings Bank, 4 per cent.,	\$640,000
Treasury notes, no interest,	492,458
	1,132,453
Miscellaneous, undrawn moneys, &c.,	347,625
	\$5,975,083
Cr.	
Public Work: viz., Provincial Railway,	\$4,319,507
In hands of Public Accountants,	295,207
Cash in hand or in Bank,	503,691
Balance,	856,678
	\$5,975,083

Against this balance the Province owns a number of light-houses, and several Public Buildings. No means exist of determining from the accounts the cost or value of such assets.

IV.—CONDENSED BALANCE SHEET OF THE PROVINCE OF PRINCE EDWARD ISLAND, DEC. 31ST, 1865.

Prince Edward Island shows a somewhat singular balance sheet. On the one hand more than half the liabilities are "unpaid warrants," and the funded debt is almost nominal. On the other hand the greater portion of the available assets are cash and bonds given by merchants for the payments of duties on imports. The figures at the end of the last financial year, Dec. 31st, 1865, were:—

Dr.		
<i>Debt</i> —Funded, viz. :—		
Debentures at 5 per cent.,	\$46,560	
do. at 6 per cent.,	57,600	
<i>Debt</i> —Floating, viz. :—		\$104,160
Treasury notes,	\$36,800	
Unpaid warrants,	179,640	
		216,440
<i>Debt</i> —Deposits in Savings Bank, (5 pr. ct. interest,)		20,600
Total,		\$341,200
CR.		
Bonds in Treasury, (duties,)	\$48,824	
do. in hands of Attorney-General, (duties,)	2,234	
		\$51,059
Cash in Treasury or in Banks,		51,293
Balance against the Colony,		238,848
Total,		\$341,200

The regulations respecting treasury notes are, that if presented they must be redeemed in gold, and if there be no gold in the treasury they can be funded at 6 per cent. In practice they never are presented.

Against the above "balance" the Province owns eight lighthouses, worth about \$30,000, the Victoria Barracks, worth say \$25,000, and a market-house, worth \$5,000.

V.—DEBT OF NEWFOUNDLAND.

The debt of Newfoundland, on December 31st, 1865, was:—Funded, \$911,564; Floating, \$250,676; Total, \$1,162,243.

The Province owns several lighthouses, and has expended considerable sums on improvements in St. John's. We have no detailed returns for this year, but the greater part of the floating debt consists of deposits in the Government Savings Bank.

RECAPITULATION.

The Funded Debts of the Provinces and the Floating Debts exclusive of Banks and Miscellaneous Accounts were therefore, in 1865 :—

	Canada.	New Brunswick.	Nova Scotia.	Prince Edward Island.	Newfoundland.	Total.
Funded—						
At 4 per cent.,	\$681,333	-	-	-	-	\$681,333
At 5 per cent.,	33,743,541	-	-	\$46,560	\$911,564	\$34,701,665
At 6 per cent.,	26,934,377	\$5,052,880	\$4,495,000	57,800	-	36,539,857
Miscellaneous rates,	385,400	-	-	-	-	385,400
Savings Bank, 5 per cent.,	-	768,565	-	20,600	-	789,165
Savings Bank, 4 per cent.,	-	-	640,000	-	250,000	890,000
Treasury notes, no interest,	-	-	492,458	36,800	-	529,258
Totals,	\$61,744,651	\$5,821,445	\$5,627,458	\$161,560	\$1,161,564	\$71,516,678

PUBLIC REVENUE AND EXPENDITURE.

CANADA.

<i>Receipts, 1864-5.</i>	
Customs revenue,	\$5,600,741
Excise,	1,302,975
Post Office and Ocean Postage,	540,809
Public Works and Prov. Steamers,	429,524
Territorial,	830,892
Minor revenues of the Consol. Fund,	405,775
Debentures and Stock,	1,074,609
Municipal Loan Fund,	270,883
Municipalities Fund,	148,835
Education and School Funds,	141,757
Indian Fund,	180,606
Miscellaneous Trusts and other accounts,	522,462
	\$11,509,868
Deduct—Debentures and Stock,	1,074,609
Ordinary revenue,	\$10,435,259
<i>Payments, 1864-5.</i>	
Collection of revenue,—	
Customs,	\$397,086
Excise,	174,446
Post Office,	483,270
Public Works,	256,792
Territorial,	134,735
Miscellaneous,	79,031
	\$1,515,360
Interest on public debt and charges,	3,768,773
Redemption of public debt,	1,355,620
Civil Government, including pensions,	501,137
Administration of justice and prison inspection,	998,518
Legislation,	473,158
Education, grants to Literary Societies, Geological Survey,	603,642
Hospitals and Charities,	310,088
Militia and enrolled force,	756,933
Agricultural Societies, grants to,	108,419
Public Works and Buildings, &c.,	1,523,021
Redemption of Seigniorial rights,	199,190
Advances, &c., Postal Subsidies account,	125,238
Municipalities Fund,	130,229
Indian Fund and annuities,	145,045
Minor payments,	366,940
	\$12,890,311
Deduct—Redemption of Public debt,	1,355,620
Ordinary expenditure,	\$11,534,691

A similar statement prepared by Mr. Galt, when Minister of Finance, supplemented by the Miscellaneous Statistics of the Auditor, furnishes us with the figures from 1861 to the end of 1865.

Y E A R .	Ordinary Revenue.	Ordinary Expenditure.
1861,	\$9,899,275	\$12,003,962
1862,	8,408,444	11,116,092
1863,	9,760,316	10,742,807
1864,	10,918,337	10,587,142
1865,	10,470,608	11,656,368
Total,	\$49,456,980	\$56,106,371

This shows that an increase in the Public Debt must have taken place in the five years of nearly seven millions. It is argued, however, that the increase of the population of the country is more rapid than that of the public burdens, so that the charge *per head* is somewhat diminishing. Almost the whole of this increase was represented by increased floating debt, and diminished cash balances. The government, however, took means at the last session to meet both the floating debt and the debentures falling due by laying their hands upon the circulation, so that in future the amount will be represented by Provincial notes.

RECAPITULATION.

We throw together some of the preceding figures, to illustrate the relative as well as the absolute position of the various Provinces:—

	Ordinary Revenue of 1865.	Ordinary Expenditure of 1865.	Interest on Public Debt, 1865.	Rec'd from Debent's or Notes sold, 1865.	Paid for Debentures redeemed, 1865.
Canada,	\$10,435,259	\$11,534,691	\$3,768,773	\$1,074,609	\$1,355,620
New Brunswick, . .	1,070,604	1,168,074	360,596	17,200	25,930
Nova Scotia, . . .	1,517,306	1,470,306	284,338	659,544	-
Prince Edw'd Isl., .	217,732	214,306	17,816	2,251	-
Newfoundland, . .	482,460	579,453	49,744	115,442	28,038
Totals,	\$13,723,361	\$14,966,920	\$4,481,327	\$1,869,046	\$1,409,561

The Revenue, Expenditure, and Interest on Debt per head were, therefore, nearly as follows:—

	Revenue, per head.	Expenditure, per head.	Interest on Public Debt per head.
Canada,	\$3 45	\$3 80	\$1 25
New Brunswick,	3 70	4 00	1 25
Nova Scotia,	4 20	4 10	80
Prince Edward Island,	2 45	2 40	20
Newfoundland,	3 70	4 40	38

NEW BRUNSWICK.

The Public Accounts of New Brunswick do not show the total revenue or the total expenditure, because several services are under the control of Boards, who only return their net profits or deficiency. This difficulty meets the inquirer not only in New Brunswick, but in several of the other Provinces. The latest statements published are those for the year ending October 31, 1865, from which we prepare the following statement:

<i>Receipts, 1865.</i>		
Customs Revenue,—		
Import duties,	\$589,578	
Railway duties,	124,459	
Export duties,	61,904	—\$775,941
Light-house Duties, Seamen's Fund, Buoy and Beacon Fund, .		33,494
Casual and Minor Revenues,		55,982
Net earnings of Railway,		38,591
Balance of Savings Bank Deposits,		22,575
Debentures sold, (Railway,)		17,200
		<u>\$943,693</u>
<i>Payments, 1865.</i>		
Collection of Revenue,		\$42,198
Interest and charges on Public Debt, viz.,—		
Ordinary,	\$63,518	
Railway,	267,978	—360,596
Redemption of Debt (Savings Bank Deb's,)		25,903
Civil List and Pensions,		46,229
Administration of Justice,		21,438
Legislation,		48,874
Education (including \$264 Geol. Survey,)		114,424
Lunatic Asylum,		18,000
Militia and Military,		30,816
Agriculture,		10,229
Public Works, including Railway Surveying,		183,333
Post Office,		22,500
Miscellaneous,		101,992
Total,		<u>\$1,026,532</u>

It is impossible to recast this account with strict accuracy. We find, however, that the gross railway receipts should be given at \$133,408, and expenditure at \$94,907; the gross receipts of the Post Office, \$71,779, and the payments, \$72,538, in addition to the above \$22,500; while, perhaps, the total receipts at, and withdrawals from, the Savings Banks should be stated. Omitting, however, this last item, as also a few sundries (such as the expenditure and revenue of the Marine Hospital, &c.,) and making the requisite addition for the others, we find as the

Total Revenue,		\$1,110,379
Deduct Debentures,	\$17,200	
Deduct balance of Savings Bank deposits	22,575	
		39,775
Leaving an ordinary revenue,		\$1,070,604
Total expenditure,		\$1,193,977
Deduct Debentures redeemed,		25,903
		\$1,168,074

The Revenue of the Province for 1866 is considerably larger, and is believed to be in excess of the expenditure, even after paying for the heavy charges consequent on the threatened Fenian raid from Eastport.

NEWFOUNDLAND.

The Revenue and Expenditure of Newfoundland for the year ended December 31, 1865, were:—

<i>Receipts, 1865.</i>		
Customs,		\$425,800
Excise,		1,709
Post Office,		4,965
Crown Receipts,		4,432
Light Dues,		23,158
Profits of Savings Bank,		8,000
Miscellaneous,		14,396
Loans and Premiums thereon,		115,442
Total,		\$597,902
Deduct Loans,		115,442
Ordinary Revenue,		\$482,460

<i>Payments, 1865.</i>		
Collection of Revenue,—		
Customs,	\$34,925	
Excise,	120	
Drawbacks,	7,300	
		\$42,345
Interest on debt, viz.,—		
Ordinary debt,	\$47,695	
Sewerage debt,	2,049	
		49,744
Redemption of debt,		28,038
Expenditure as per Financial Secretary's statement, . . .		587,304
Total,		\$707,491
Deduct Redemption of Debt,	\$28,038	
Payments for Permanent Objects,*	100,000	
		128,038
Ordinary Expenditure,		\$579,453

* We have to estimate the amount, as the Financial Secretary's Statement, containing the details of Expenditure has not as yet been printed.

The Revenue and Expenditure since 1854 has been as follows:—

Y E A R .	Revenue.	Expendi- ture.	Y E A R .	Revenue.	Expendi- ture.
1854,	\$405,030	\$387,463	1860,	\$668,040	\$633,766
1855,	632,242	604,631	1861,	450,217	633,766
1856,	594,158	529,228	1862,	584,648	690,293
1857,	746,621	983,743	1863,	565,170	576,125
1858,	705,641	869,825	1864,	625,793	525,795
1859,	623,975	572,995	1865,	597,902	707,491

The Revenue has thus been nearly stationary for a number of years. It rises or falls according to the success of the fisheries—as yet the single source of the wealth of the Province.

NOVA SCOTIA.

If it is difficult to make out a detailed statement of the Revenue and Expenditure of New Brunswick, the task is still more so in the case of Nova Scotia. The Report of the Committee on Public Accounts differs from the accounts of the Receiver-General as to details, although the Committee state the accounts

of the latter to be correct. The Railway Construction Account, the receipts from Treasury Notes, and some other revenues, have to be added from independent sources. The figures for the year ending September 30th, 1865, are, however, very nearly as follows:—

<i>Receipts, 1865.</i>	
Customs and Excise duties,	\$1,047,891
Post Office Revenue,*	60,700
Public Works, viz.:—	
Board of Works,	\$1,386
Light Duty,	38,945
Signal Stations,	902
For the maintenance of Refugees, Sable Island,	2,000
Lunatic Asylum,	21,495
Road Service,	3,349
Railway Revenue,	183,954
	252,031
Territorial, viz.:—	
Crown Lands,	\$44,365
Gold Fields,	18,059
Royalty on Coal,	57,524
Licenses to search and work,	12,050
	131,998
Railway Bonds,	024,544
Treasury Notes,	35,000
Miscellaneous,	24,686
	\$2,176,850
Deduct Deb'ts and Treasury Notes,	659,544
Ordinary Revenue,	\$1,517,306
<i>Payments, 1865.</i>	
Revenue Expenses:—	
Customs,	\$63,750
Drawbacks,	18,726
Mines,	13,000
Crown Lands,	17,213
Post Office,	93,170
	\$205,859
Interest on Public Debt, viz.:—	
Ordinary,	\$23,609
Railway,	260,729
	284,338
Civil List,	63,113
Judiciary Expenses, Prosecutions and Inquests,	5,761
Legislative Expenses,	44,326
Education,	99,663
Hospitals and Charities,	19,030
Militia,	81,000
Agriculture,	16,000

* The Report of the Committee on Public Accounts gives \$30,700, to which we add \$30,000 for certain sums which do not find their way into the Treasury.

Public Works, viz. :—		
Board of Works,	\$134,282	
Roads and Bridges,	274,923	
Steamboats, Packets, and Ferries,	14,051	
Navigation Securities,	19,040	
Railway Construction,	248,616	
		\$691,512
Railway Expenses,		169,000
Minor and Miscellaneous,		41,315
		\$1,720,922
Deduct Railway Construction,		248,616
Ordinary Expenditure,		\$1,472,306

PRINCE EDWARD ISLAND.

The Revenue and Expenditure of Prince Edward Island, for the year 1865, were as under :—

<i>Receipts, 1865.</i>		
Customs,*		\$163,048
Licenses,		2,005
Post Office,		6,208
Public Works (Light and Anchorage Duties,)		3,525
Territorial,		34,209
Interest on bonds,		3,812
Education (Land Assessment,)		3,525
Miscellaneous,		800
Ordinary Revenue,		\$217,732
Add Debentures, &c., sold,		2,251
Deposits in Savings Bank,		20,579
Total Revenue,		\$240,562
<i>Payments, 1865.</i>		
Interest on Public Debt :—		
Funded,	\$5,644	
Floating,	12,232	
		\$17,876
Civil Government,		21,658
Administration of Justice,		14,268
Legislature,		12,182
Education,		46,188
Hospitals and Charities,		4,842
Militia,		3,426
Agricultural Society,		9,039

* The Revenue from Customs includes receipts on account of the 6d. per gallon excise on spirits distilled in the Colony. The amount is not large, and is indistinguishable in the Public Accounts.

Roads, Bridges and Wharves,	\$37,163
Other Public Works,	9,813
Collection of Revenue,	27,010
Miscellaneous,	10,926
Ordinary Expenditure,	\$214,396
Add cost of New Barracks,	26,394
Withdrawals from Savings Bank,	7,649
Total Expenditure,	\$248,429

There was thus a balance in favor of the Colony, the ordinary revenue and expenditure considered ; but the cost of new barracks which were erected because some troops were considered necessary to preserve the peace of the Island, endangered by the Tenant League, turned this into a deficiency. The above figures differ slightly from the Public Accounts of the Colony, because they call Debentures sold " Expenditure."

PUBLIC WORKS.

CANADA.

The public works of Canada consist principally of canals, built for the purpose of overcoming difficulties in the navigation of rivers, also of harbors and piers, lighthouses, beacons and buoys, slides and boons, roads and bridges, parliamentary buildings, custom houses and post offices. The cost of these, being the chief cause of the public debt, will be found in the balance sheet of the Province, elsewhere printed. The Province is not the owner of any railway.

Canals.—The St. Lawrence navigation is 2,385 miles long, and eight canals, of which seven are Canadian and one American, have been built to make it practicable for all its length. The following table shows the various distances and the size of the canal locks:—

	Natural Chan- nel. Miles.	Canal. Miles.	Number and di- mensions of Locks in feet.	Feet of water on sills.	Rise of lockage in feet.
Straits of Belle Isle to head of tide- water, (Three Rivers,)	900	-	-	-	-
To the Lachine Canal, (Montreal,) . .	86	*	-	-	-
Lachine Canal	8½	{ ⁵ 200×45}	9	44½	
To Beauharnois Canal,	15½				
Beauharnois Canal	11½	{ ⁹ 200×45}	9	82½	
To Cornwall Canal,	32½				
Cornwall Canal	11½	{ ⁷ 200×55}	9	48	
To Farran's Point Canal,	5				
Farran's Point Canal	½	{ ¹ 200×45}	9	4	
To Rapide Plat Canal,	10½				
Rapide Plat Canal	4	{ ² 200×45}	9	11½	
To Iroquois Canal,	4½				
Iroquois and Galop's Canal	7½	{ ⁵ 200×45}	9	15½	
To the Welland Canal, (head of Lake Ontario,)	230½				206½
Welland Canal (Lake Ontario to Erie)		28 { ²⁷ 150×26½}	10½	330	
To Sault St. Marie Canal (head of Lake Huron,)	625				530½
Sault St. Marie Canal, (United States)		1 { ¹ 350×70†}	12	12	
To Fond du Lac, (Lake Superior,) . .	397	-	-	-	-
Totals,	2,312½	72½	57	-	548½

* A channel 11½ miles long has been dredged through Lake St. Peter, so that vessels drawing 20 feet can go up to Montreal. Two locks on the Lachine Canal have 16 feet on the sills; and three on the Welland are 200 by 41 feet. † At bottom and 61 at top.

The Burlington Bay Canal (Hamilton,) ½ mile, no locks, 138 feet broad, may be said to be connected with the St. Lawrence navigation.

The Ottawa and Rideau Canals complete a second (interior) line of navigation from Montreal to Kingston, on Lake Ontario. Their united length is $143\frac{1}{3}$ miles, of which the Rideau Canal is $126\frac{3}{4}$. The total lockage is $578\frac{1}{4}$ feet, of which $446\frac{1}{4}$ belong to the Rideau. Of this some 177 feet is fall, the difference rise. The distance by this route from Montreal to Kingston is $249\frac{1}{4}$ miles.

The St. Ours Lock and the Chambly Canal connect the St. Lawrence and the Hudson, *via* the Richelieu River and Lake Champlain. Distance from Montreal to New York, 456 miles.

The following table shows the dimensions of the largest vessels which can pass through the various locks on these several lines of navigation:—

	Length in feet.	Breadth in feet.	Draught of water when loaded.	Tonnage.
St. Lawrence Canal,	186	$44\frac{3}{4}$	9	600
Welland Canal,	$142\frac{1}{2}$	$26\frac{1}{2}$	10	400
Ottawa Canal,	95	$18\frac{1}{2}$	5	100
Rideau Canal,	127	$31\frac{1}{2}$	5	250
Chambly Canal,	114	23	$6\frac{1}{2}$	230
United States, Champlain Canal, . .	89	$13\frac{1}{2}$	4	70
United States, Erie Canal, . . .	102	$17\frac{1}{2}$	7	210

It may here be noted that the distance from Quebec to Liverpool, *via* Belle Isle, is 3,060 miles; *via* Cape Clear, 2,910.

Lighthouses.—There are now 116 lighthouses connected with Canadian Inland Navigation, viz.: From Straits of Belle Isle to Quebec, 20; between Quebec and Montreal, 32; west of Montreal, 52, of which 3 are on the Ottawa; in charge of private individuals and companies, 12.

Harbors.—These are almost all transferred to private or railway corporations.

NEW BRUNSWICK.

The European and North American Railway is the chief public work in New Brunswick. It connects the city of St. John on the Bay of Fundy with Shediac on the Gulf of St. Lawrence, and is under the management of three Commissioners appointed

by the Governor. The board now consists of Mr. George Thomas, chairman, Mr. James Steadman, and Mr. C. H. Fairweather. It is claimed for this road that it is the best and most perfectly constructed railway in America.

The Province has built and keeps up eleven light-houses on the Bay of Fundy, and three on the Gulf, also a steam-whistle on Partridge Island, (St. John,) all which have cost \$50,156. It has no piers, wharves, and, excepting one dredge, no steam vessels. There was at one time an idea of cutting a canal from the head waters of the Bay of Fundy to the Gulf of St. Lawrence, but it has not been carried into effect. It owns a penitentiary and a lunatic asylum, also a Parliament House and the Governor-General's residence.

NOVA SCOTIA.

The Nova Scotia Railway is the only public work of importance owned by the Province. It runs from Halifax to Windsor and Truro, and it is intended to finish it to Annapolis on the one hand, and to Pictou on the other. The former extension is only projected; the latter is nearly completed.

The Province owns fifty-one light-houses, costing, say \$200,000. Cost of maintenance, 1865, \$36,742; light duty received, \$35,875.

The books of the Province do not show the cost of the Province building, Government House, Lunatic Asylum, and Penitentiary, nor do any means exist for estimating their value.

Government usually contributes towards building the wharves and piers required along the coast, and advances money for the purpose. The "navigation securities" taken on such occasions are simply security that the money will be properly spent, not bonds from which any pecuniary return is expected. The only bond taken is, that the land on which the wharves, &c., are built, is made over to the Government.

The Government have for the past year or two been cutting a canal at St. Peter's, leading into the Bras d'or. It is designed to accommodate vessels of from 15 feet to 22 feet 6 inches beam: estimated cost, \$170,000; amount spent, \$11,941.

The Government have built most of the roads in the Province, but they are not regarded as an asset, nor can their cost or value be stated.

The Province owns a steamer, the "Druid," and a schooner, the "Daring;" the former a vessel of some 700 tons, once a blockade runner, the latter a craft of about 70 tons. They are used for the protection of the fisheries, and for light-house service.

PRINCE EDWARD ISLAND.

The public works of Prince Edward Island are, eight light-houses, (another in course of erection,) a barracks, and a market house. Value of the whole, \$60,000.

NEWFOUNDLAND.

The public works of Newfoundland are, five court-houses and jails, a lunatic asylum, a post-office, custom house, a hospital, a poor asylum, some sewerage, a few roads and bridges, and sixteen light-houses.

PUBLIC LANDS.

CANADA.

At the end of 1865, 50,321,837 acres of public lands had been surveyed in Canada, of which 24,756,159 were in Upper, and 25,565,678 in Lower Canada. At the same date there had been disposed of by sale or free grant 40,577,697 acres, leaving about 10,000,000 of surveyed acres open for sale and settlement; but surveys still proceed at the rate of about 500,000 acres annually, so that there is still plenty of room and opportunity for all who prefer holding from the Crown to buying from private owners.

NEW BRUNSWICK.

The Crown lands of New Brunswick have never been relied on as a source of revenue, and no systematic efforts have ever been made to dispose of them with rapidity. In 1863, about 7,551,909 acres had been granted, leaving 9,795,451 acres

vacant, of which 6,714,198 acres are adapted for cultivation. About 200,000 acres are surveyed, and laid off in lots of 100 acres each.

Government lands are disposed of by auction, at an upset price of 60 cents per acre: 25 per cent. is required to be paid down, and the balance in three equal annual instalments. Where the whole of the purchase money is paid at the time of sale, there is a discount of 20 per cent. allowed. Under the regulations of sales for *bona fide* settlement, there is no competition: the price is 60 cents per acre,—the money to be expended in the opening of roads. Settlers may procure land under the Labor Act, by a petition to the Lieutenant-Governor: they will be required, in this case, to perform road work in lieu of a money payment,—such labor to be performed on the roads near their lots, and to be completed within five years. When the settler has performed the labor, cleared five acres, and resided on his lot for one year, he receives a grant under the Great Seal of the Province, vesting the land in him and in his heirs.

In 1865, 58,082 acres of land were taken up by 622 applicants, a large percentage being acquired under the above-mentioned Labor Act.

NOVA SCOTIA.

In Nova Scotia, the Commissioner of Crown Lands at Halifax, who is not a member of the government, conducts the business of the department.

Deputy Surveyors reside in every county, whose duty it is to execute orders issued by their principal, and to protect Crown property from trespassers; they are furnished with plans of their respective counties.

The system of disposing of the Crown lands is as follows:—

The applicant presents, in person or otherwise, at the office of the commissioner a petition to His Excellency the Lieutenant-Governor, praying a grant of a specified number of acres, with a general description of the locality, and at the same time pays into the office of the Receiver-General a sum of money at the rate of \$44 for 100 acres. The tract that will be granted is

limited to 500 acres, except with the special approval of the Governor in council. No distinction is made in the price between 100 acres and smaller lots, as the difference in cost of the survey is very trifling. The cost of surveys is paid by the Province. Upon receipt of the petition and money, an order of survey is forthwith issued to the deputy surveyor of the county to survey the lot. It is the duty of the surveyor to proceed immediately with the survey, and to report every particular descriptive of the lot—whether occupied or vacant, whether improved or otherwise, as well as any objections made to the passing of the grant, together with remarks of his own. The order of survey gives but an incipient right to the applicant—the report is for the information of the office and the government.

Upon a return of survey and report, a report is drawn up by the commissioner and submitted to the executive committee, consisting of three members of the government, who decide to whom the grant shall issue, in case the lot is claimed by more than one.

All persons are strictly prohibited by law from entering upon Crown lands and cutting the wood without authority. The same law applies to the interfering with the mines or minerals.

The Governor in council is authorized to order surveys whenever required of large blocks of land, to be laid off in lots of 100 acres for the accommodation of settlers. This rule is made for the benefit of emigrants. One prosperous German settlement has lately been formed under its operation.

In the event of settlers taking up land under this authorization, they require a permit, which reads as follows:—

Permission is hereby granted to _____ to take immediate possession of a certain parcel of land, being Lot No. _____ situate at _____ within the County of _____ containing _____ acres, and to occupy the said parcel of land on the following conditions:—

1st. That the occupant shall, within _____ months, build a house, and actually reside upon said parcel of land for _____ months every year during all the period of his occupation thereof, and shall clear and cultivate at least _____ acres *in superficies* during the continuance of this license, namely, _____ acres the first year; _____ acres the second year, and _____ acres the third year.

2d. The occupant shall neither sell nor cut, nor permit any person whomsoever to sell or cut, any growing wood upon the said parcel of land, during all the period of his occupation thereof—excepting for the clearance of his land, for his fuel, and the buildings and fences that he may erect upon the same. All wood cut for other objects upon the said parcel of land shall be deemed to have been cut by the occupant, and may be taken and carried away by any person duly authorized by the government to that effect, without any formality whatever.

3d. The occupant shall be entitled, in preference to any other, to become the purchaser of the said parcel of land as above described, at the rate of forty-four cents per acre, on paying the said sum by two equal instalments of \$22, the one-half in two years from the date of this license, and the other half at the expiration of the third year, with interest.

The Crown Lands Commissioners' report for 1865 supplies the following statistics:—

Acres applied for,	105,756
Acres granted,	47,157
No. of grants,	344
Amounts paid therefor,	\$44,187
Receipts from sales, searches and seizures, .	\$44,303
Disbursements,	14,328
Net proceeds,	\$29,975

In 1864 the net proceeds were \$18,806. There was considerable activity in 1865, which has continued in 1866, owing to the purchase of lands for the sake of the timber growing on it.

There are no officers in Nova Scotia intrusted with the protection of the fisheries. No territorial licenses are issued for fishing stations, either on fresh or salt water. The government refuse to grant to private parties tracts that have been or are likely to be used as fishing stations.

The mineral lands of Nova Scotia are managed by officers not under the control of the Commissioner of Crown Lands. For an account of the system relating thereto, see article on "Mining."

PRINCE EDWARD ISLAND.

All the lands on Prince Edward Island having been granted by the Crown, by lot, in one day, to private individuals who were supposed to have claims to the royal favor, there are no lands in the hands of the government except a few estates that have been purchased from private owners.

NEWFOUNDLAND.

Until of late no desire has been manifested by the people of Newfoundland to become owners of its soil, but within a few years past the frequent failure of the fisheries has caused more attention to be paid to the land. Several new lines of road have been made, and Mr. John H. Warren, the Surveyor-General, reports "much fine agricultural land" as being opened up. Nevertheless, in 1864, though 193 grants of land were made, they were chiefly of a few roods only, and none covered so much as fifty acres. The total area so granted was only 667½ acres, and the total amount paid for it was only \$552.

THE LUMBER TRADE.

CANADA.

The Lumber trade of Canada is of the highest importance to the country. As will be seen in the trade tables elsewhere printed, the exports of products of the forest have frequently approached, and in some years exceeded, those of the products of agriculture. The best general review of this industry is that read to the Detroit Convention by Hon. James Skead, of Ottawa. No country in the world produces such fine and large timber in merchantable quantities as Canada; the species peculiarly adapted to commercial purposes being the white pine, (*pinus strobus*,) and the red pine (*pinus rubra*.) Mr. Skead enumerates eight districts, chiefly river valleys, producing pine of both these kinds, in addition to tamarac, black birch, ash, elm, spruce, white cedar, maple, oak, &c. These are: the Saguenay valley, 27,000 square miles; the valleys between the Saguenay and St. Maurice, 8,000; the St. Maurice valley, 21,000; the valleys between the St. Maurice and Montreal, 9,000; the Ottawa val-

ley, 87,761; the valley between Kingston and the Trent, 2,350; the Trent valley, 6,200; total, 161,911. To this should probably be added 65,000 square miles of pine country east of the Saguenay, and 60,800 square miles drained into Lakes Huron and Superior. Mr. Skead calculates that about 24,000 square miles in the western peninsula of Canada produce, wholly or in part, the finer hardwoods, as oak, elm, black walnut, maple, chestnut, hickory and ash, also sycamore and basswood, and says that if a market could be obtained for the ornamental woods, Canada West would have a regular mine of wealth in her yet uncleared forests.

The Crown Lands department sells its "timber limits" at auction. Each limit is theoretically ten miles square. The limit-holder becomes a tenant to the Crown at the fixed ground-rent bid, and pays, besides, a half-penny per cubic foot of squared timber, or five pence per piece on each standard log, (12 feet long by 21 inches in diameter.)

About 25 per cent. of the standing pine is available for squared timber; 40 per cent. more for saw-logs; the remaining 35 per cent. is undergrowth, useless or damaged.

The average quantity of timber got out is stated by Mr. Skead to be as follows:—

	Cubic Feet.
Oak,	1,585,856
Elm,	1,438,707
Ash,	149,930
Birch,	92,714
Tamarac,	987,062
White Pine,	17,665,675
Red Pine,	2,566,360
	24,486,303
Sawed Planks, 250,000 m. ft. B. M. sent to	
Quebec,	20,833,333
Home consumption,	20,833,333
American market,	20,833,333
Total,	86,986,352

Or over one million and three-quarters tons.

The following is the official statement of the areas under license, and the amounts accrued on timber and ground-rents in the several districts,—season 1865,—with the names of the Crown timber agents in each territory, whose duties are to grant licenses to cut timber, collect the Crown dues, protect the public woods and forests from trespass, and administer the timber regulations:—

TERRITORY.	Agents' Name and Address.	Square miles under license.	Accrued on Timber dues.	Accru'd on ground rent.
Upper Ottawa, .	A. T. Russell, Ottawa, .	15,356	\$150,643	\$19,540
Ontario, . .	J. F. Way, Belleville, .	1,904	25,508	2,842
Lower Ottawa, .	C. E. Belle, Montreal, .	2,999	28,668	3,359
St. Maurice, . .	A. Dubord, Three Rivers, .	6,483	16,578	4,232
Huron, Sup'ér, and Pen. of C. W., .	T. R. Nash, Toronto, .	892	9,605	1,203
St. Francis, . .	G. J. Nagle, St. Hyacinthe, .	1,194	5,949	889
Saguenay, . . .	G. Duberger, Chicoutimi, .	1,096	8,004	670
Chaudière & Madawaska, . .	C. Dawson, Fraserville, .	1,251	3,382	2,080
Lower St. Lawrence, .	T. Dubé, Trois Pistoles, .	364	4,564	206
Bay des Chaleurs, .	J. N. Verge, Carleton, .	89	799	104
Total,		31,630	\$253,700	\$34,765

To these amounts add \$67,519 for slide dues, and \$5,586 for miscellaneous items, and we have, as the total revenue accrued from the woods and forests, \$361,570. The amount collected (including some arrears,) was \$409,003.

On arrival at shipping ports, the lumber is "culled," if required, by government officers. Merchants who purchase usually require the rafts to undergo this ordeal.

The lumber trade employs, in the forest alone, 15,000 men, and in the partial manufacture of lumber over 2,000 mills, and at least 10,000 men. It further employs at Quebec about 1,200 vessels, of an aggregate freight capacity of 700,000 tons, besides 500,000 of lake and canal tonnage. Seventeen thousand seamen are engaged in carrying its products from Quebec to Europe, and 8,000 more in their transportation on inland waters.

The returns of the exports of lumber in the years 1864-5, showed as exports to

Great Britain,	\$7,971,991
Sister Colonies,	28,741
British West Indies,	3,835
United States,	4,758,539
France,	98,872
Germany,	1,625
Other countries,	144,992
Total,	\$13,008,595

NEW BRUNSWICK.

The surface of New Brunswick was at one time one unbroken lumber field, and the valley of the St. John contained what was thought to be an inexhaustible supply of the finest of white pine lumber. It is, however, now generally conceded that almost all the fine white pine within reach of the tributaries of that river has been cut, and that very little remains excepting on the streams which flow into it from Maine. The lumberers have, therefore, turned their attention more to the coarser pine still to be had in large quantities, out of which sugar box shooks are made, and to the black spruce, which in New Brunswick attains considerable development.

The principal exports of lumber from New Brunswick for the past three years have been:—

	1863.	1864.	1865.
Boards, plank and scantling, over 9 ft. long, M. ft.	20,553	34,784	47,932
“ “ “ “ not over 9 ft., M. ft.,	15,102	19,727	18,727
Clapboards, M.,	197	1,604	2,494
Deals, over 9 feet long, M. feet,	267,618	246,487	247,604
“ not over 9 feet, M. feet,	20,771	16,170	17,662
Laths, M.,	22,407	15,897	31,589
Shooks, box and hhds., No.,	287,852	304,018	581,120
Pickets, M.,	—	7,449	7,246
Staves, M.,	194	977	1,702
Shingles, M.,	31,302	44,587	94,332
Timber—Birch, tons,	12,614	17,267	14,584
Spruce,	395	1,972	1,435
Pine,	26,770	19,810	27,174

The deals over 9 feet in length represented in 1865 a value of \$2,041,307, out of a total value of exports of lumber of \$3,641,759. Of the deals 30,701 m. ft. were sent to the United States; 3,460 m. ft. only to England; 5,658 m. ft. to Cuba. Almost all the birch, pine, and spruce timber goes to England.

The export duty on lumber is, on deals and battens exceeding 9 feet in length, on boards, scantling and plank exceeding 9 feet in length and 5 inches square, 20 cents per m. feet superficial; on pine timber, 20 cents per ton of 40 cubic feet; on birch, spruce, masts and spars, 15 cents per ton. This duty realized \$61,836 in 1863; \$67,641 in 1864; and \$61,903 in 1865. It replaces the "stumpage duty" formerly paid to the Crown for every tree felled. Lumberers now pay nothing to the Crown save license money for "timber berths." They apply for the territory they require, which is surveyed and sold by auction after public advertisement. Timber berths seldom fetch more than the upset price of \$4.00 per square mile, the Government not appearing to desire to raise much money from this source, but rather to encourage the production of lumber, and so to receive a revenue from export duties. Persons have the option of taking license for one, two or three years.

NOVA SCOTIA.

There are no rules in Nova Scotia under which timber licenses can issue. To procure the right to the lumber, the land itself must be purchased from the crown. (See Crown Lands.) The timber exported is chiefly spruce. The lumbering industry is not so important as in Canada or New Brunswick. The value of the total exports for 1864 and 1865 was:—

WOOD.	1864.	1865.
Boards, &c.,	\$424,560 00	\$518,645 00
Deal ends and Scantling,	159,227 00	24,979 00
Fire and Lathwood,	108,648 00	97,859 00
Laths and Palings,	939 00	4,495 00
Shingles,	36,350 00	22,836 00
Spars and Knees,	19,805 00	19,510 00
Staves, Hoops and Shooks,	76,374 00	45,855 00
Sweeps and Oars,	-	6,776 00
Timber, all,	29,937 00	21,630 00
Manufactured,	24,716 00	13,449 00
Totals,	\$880,556 00	\$776,034 00

NEWFOUNDLAND.

The timber of Newfoundland is spruce of small size; and lumbering can hardly be said to exist as a distinct branch of industry.

PRINCE EDWARD ISLAND.

There are no wild lumber lands in Prince Edward Island. The merchantable timber has been long exhausted. The deals exported from the Province are first obtained from the adjoining Provinces, and most of the timber for ship-building is bought in the yards of New Brunswick and Nova Scotia.

MINES AND MINING REGULATIONS.

CANADA.

Few countries present more frequent indications of mineral riches than Canada, but its mines have not yet had sufficient capital applied to them to make them productive. The mining regulations of the Province are distinct as it regards the precious and the inferior metals.

Mining for the precious metals is regulated by the Act 27 and 28 Vic., cap. 9, amended by 29 Vic., cap. 9, (1865.)

Under these laws two gold mining divisions have been erected:—the Chaudiere division, (south of Quebec,) R. Pope, Inspector; and the St. Francis division, (near Sherbrooke,) J. K. Gilman, Inspector.

No person is allowed to mine without a license, either a "crown lands gold license" for unsold Crown lands, fee \$2 per month, or a "private lands gold license" for private lands, \$1 per month, the miner first obtaining the consent of the proprietor.

Under the Crown lands license claims may be worked as follows: *Alluvial mines*.—On a river or large creek, 20 feet front by 50 from the water's edge. On a small do., 40 by 50 feet, from centre of stream. In a gully, 60 feet along the same and from hill to hill. On surface or hillside, 60 feet square. In case of

tunnelling, the Inspector may grant a larger claim, or determine the size and place of claims in beds of rivers. *Quartz Mines*.—To each miner 100 feet along lead, by 100 on each side. For companies, 25 feet additional along lead for every additional miner, but not to exceed 500 feet altogether. *Quartz Crushing Machines* must be licensed; must keep books and furnish returns; license fee, \$5.00 per month.

The principal regulations are, that all licensees shall make returns of their proceedings; and that the discoverer of a gold field is entitled to a free license for one year.

The operations in gold mining have hitherto been principally carried on in the Chaudiere division, in alluvial diggings on the river Gignert, in the Seignior of Rigaud, Vaudreuil (De Lery.) About 50 men were at work there at the date of the last report, June, 1866. Quartz mining is, however, now beginning to attract attention, and one or two companies are about erecting crushing mills. The gold extracted is estimated to have been,—

In the summer of 1863,	\$40,000, or \$50,000
In the month of June, 1864,	5,000
Year ending June, 1865,	140,000, to 150,000

Since 1865 no statistics have been published, but it is thought that not more than \$100,000 has been taken out, the great excitement respecting quartz mines having caused a lull in alluvial operations.

Very little has been done in the St. Francis district beyond preparatory operations.

Inferior mode.—Each mining tract in unsurveyed territory is to be of 200 or 400 acres. They must be surveyed by a Provincial Land Surveyor, and paid for at the value of \$1 per acre. In surveyed townships mineral lots are to be sold for \$1 per acre when the lands are held at less than that sum, and for the same price as other lands in townships where they are held for more. Payment must, however, be made in cash.

Progress of Mining in Canada.—We are indebted to Mr. Charles Robb, Mining Engineer and Surveyor, for the following statement of the progress of mining in Canada:—

With the exception of coal, tin, and a few of the less important metals, Canada has been found to produce most of the useful minerals; while, with regard to many of them, it may be safely asserted that the Province contains within itself amply sufficient for domestic consumption, as well as for extensive foreign commerce.

That coal does not occur in any of the settled or explored parts of the country, or probably in any part, may be regarded as a fully established fact; but Canada is favorably situated in its proximity at all points to the carboniferous regions of the United States and of Nova Scotia.

In the so-called Laurentian formation, occupying a vast tract of country on the north side of the St. Lawrence, *iron* ores occur in such quantity as may be considered practically inexhaustible. The ore consists of the magnetic and specular; the former yielding from 60 to 70 per cent. of pure iron. It is the same species, and occurs in the same geological formation as the ores from Sweden and Norway, from which the celebrated Swedish iron is manufactured. The specular oxide, which is also abundant in Canada, is the kind which is so extensively mined at Marquette, on Lake Superior, and produces, as is well known, a most valuable description of iron.

Most of the localities where important discoveries of these iron ores have been made in Canada are fortunately situated on or near the banks of navigable rivers and canals, and the ore generally occurs immediately at the surface. Mining and smelting operations have been carried on extensively at Marmora, in Hastings County; and, at the present time, a powerful joint-stock company is engaged in establishing similar works at Hull, near Ottawa City. From other localities, much of the ore has for many years been exported into the United States at remunerative prices; from ten mines, up to the year 1860, 14,000 tons of ore had been thus disposed of. At Moisie River, on the north shore of the Gulf of St. Lawrence, a company is now engaged in working, on a large scale, alluvial deposits of remarkably rich magnetic iron-sand, from which the finest steel can be manufactured, by a very simple and inexpensive process.

Copper, undoubtedly, constitutes the most important of the mineral treasures of Canada, and is destined to occupy a very important rank among its resources. The ores of copper are distributed over vast tracts of country in the north shores of Lakes Superior and Huron, in Central Canada, and in the eastern townships of Lower Canada; but few of the mines have as yet attained the point of profit, and no complete statistics can at present be obtained. We subjoin, however, a few notes which may be relied on with regard to the results at some of the most important of these mines.

At the West Canada Company's mines on Lake Huron, the average production for the last five years, has been about 3,000 tons of 20 per cent. ore, with a force of from 250 to 300 hands; the whole of this ore, which may be valued at \$250,000 annually, is shipped to England, and this company's operations are reputed to be highly remunerative. At many points on the north, or Canadian shores of Lake Superior, rich lodes of copper and lead (some of the latter being highly argentiferous,) have been discovered, but are for the most part as yet undeveloped.

In Central Canada, copper and lead ores are found in promising quantities in the counties of Hastings, Leeds, and Lanark, but no very extensive or systematic mining operations have hitherto been instituted. The copper mines of the eastern townships have attracted much attention during the past six years; and their value has been, in too many instances, unduly inflated by interested speculators; but, although in such cases, considerable disappointment has been experienced by over-sanguine capitalists who have embarked in such undertakings, sufficient has been developed to prove that, in several districts in this part of the country, copper mining may be carried on successfully on a larger scale.

The Acton mine, which for three or four years produced very largely with a very moderate expenditure of capital, is now comparatively unproductive. On the other hand, the Harvey Hill mine in Leeds, the St. Francis mine near Richmond, the Lower Canada, Capel, and Albert mines near Sherbrooke, and the Huntington mine in Bolton, are all highly prosperous and promising undertakings. During the year 1865, the Harvey Hill mine yielded, with a very insignificant force, 390 tons of

20 per cent. ore, worth about \$25,000, and during the present season the produce of this mine will reach 500 tons, worth \$32,000. The St. Francis mine is also being systematically developed, although the number of miners employed is very small; a shaft has been sunk upwards of 240 feet, and levels driven to the extent of upwards of 600 feet. The ore incidentally obtained in thus opening up the ground, has averaged about 55 tons, of 10 per cent. per month. At the Lower Canada mine, with a force of 75 hands, 480 tons of 6 per cent. ore are extracted monthly; the Capel mine, with a force of 50 hands, has yielded about 500 tons from 5 to 6 per cent. in their exploring works from May to September of this year, while the Albert mine upon the same veins, and intermediate between the two last named, affords an equally promising appearance. The Huntington mine in Bolton is even richer than those mentioned, yielding about 10 tons of 10 per cent. ore per fathom.

Gold probably ranks next in importance among the metallic productions of Canada; the alluvial gold diggings of the Chaudiere Valley having been pretty extensively, though unsystematically, prosecuted during the last few years. In the Report of the Parliamentary Commission on the Canadian Gold Fields for 1865, the production of the previous year, in the Chaudiere division, is given at \$116,000, which is estimated to yield four dollars per day, as the wages of every man employed. The largest nuggets found have been worth about \$300, and most of the alluvial gold has been obtained within a very limited area. In this district also, and at other parts of Canada East, gold-bearing quartz veins have been discovered of sufficient richness to pay a very handsome profit upon the cost of crushing and separating; for which purpose several mills are now in process of construction and erection.

In the counties of Hastings, Leeds, and Lanark, as also in the Ottawa district, marble, phosphate of lime, and plumbago, have been ascertained to be very extensively diffused. The latter mineral is now attracting much attention among mining adventurers in Canada, which bids fair to become the most important source of supply perhaps in the world. Recently processes whereby the plumbago may be economically and on the large scale separated from earthy impurities, have been

introduced into Canada; and one establishment of this kind, situated in the township of Lochaber, 25 miles below Ottawa City, is now in successful operation.

The only other minerals of economic importance at present being worked to any extent in Canada, are building materials, roofing slates, and gypsum; but of these we have no statistics to offer. There are three quarries of roofing slate in the eastern townships, in successful operation. Rock oil has been very largely produced in the townships of Enniskillen and Zone, in Canada West, but no statement of the actual amount produced can be made.

NEW BRUNSWICK.

The mining industry of New Brunswick is, as yet, in its infancy. The Provincial Geologist, De Gesner, reports it rich in several metallic ores, such as iron and manganese. Gold exists in places, copper in others, but no important workings are now going on. The brown building-stone of the head of the Bay of Fundy is a very important article of export. The following details relate to the mines now being worked:—

The "Albert Coal Mining Company" was incorporated in the year 1851. Its paid-up capital is \$238,720, in 5,968 shares of \$40 each. The quantity of coal shipped annually is from 15,000 to 20,000 tons. In 1865, there were 15,790 tons shipped to the United States, 2,260 tons to St. John, and 608 tons to Nova Scotia, amounting to 18,658 tons, valued at the shipping wharf in Hillsborough at \$186,658. This mine is situated in the parish of Hillsborough, Albert County; was first discovered in 1849, and was worked with but little success for six or seven years, owing to a long and expensive lawsuit connected with it, the want of mining experience brought to bear on it, and the value of the material not being sufficiently understood. Since 1857 it has been doing a good business, raising from 15,000 to 20,000 tons annually. The price of the coal for several years was \$15 per ton, delivered at the shipping wharf; but for the last two years it has ranged only from \$9 to \$11 per ton. The dividends, when the price of coal was high, were 115 per cent.; in 1865, about 31 per cent.

There has been considerable difference of opinion amongst scientific men, as to whether the material raised from this seam

or vein is a true coal or an asphalt, or solidified oil. For commercial men, the term "Asphaltic Coal" (applied to it shortly after its discovery,) appears to have more significance than the term "Albertite," given it by scientific men, as it is applied in the same manner as coal for the purpose of gas and oil making, while it has none of the properties of the asphalt of commerce to make it a substitute for that mineral.

The gas made from this coal is of the most brilliant description. It produces about 15,000 feet to the ton. The oil made from it is the best of all coal oils, and it yields about 76 gallons of rectified oil to the ton.

The seam or vein lies about 25 or 30 degrees off the perpendicular: the depth now sunk is about 800 feet, and the average thickness, which is very irregular, is about 6 feet. The Company have three very powerful engines for raising the coal and keeping the mines free of water. Several companies have been formed, and shafts sunk in the immediate vicinity of the mines, for the purpose of finding this coal, but no seams of sufficient thickness have yet been discovered, although the parties are yet sanguine of success. But little of this material has been found out of Albert County, and none out of New Brunswick.

The coal mines at Grand Lake have been worked for thirty or forty years. The coal is bituminous, and most of it highly charged with sulphur. It is chiefly used in the Province for blacksmith's purposes, and a portion of it is shipped to Nova Scotia and the United States. It is found near the surface, in seams of about 20 inches thick, and while several shafts have been sunk to a considerable distance, no working seams have, as yet, been found. In 1865, 529 tons were shipped to the United States, valued at \$2,599, and 453 tons to Nova Scotia, valued at \$1,907—or about \$4½ to \$5 per ton.

The "Albert Manufacturing Company," of Hillsborough, Albert County.—This Company was established about 1849 for the purpose of mining and manufacturing gypsum, which they did to a large extent, until the war in the United States prevented any being sent to the Southern States, where the consumption was the greatest. In 1865, the Company shipped to the United States 4,900 tons of the rock gypsum, valued at \$4,409; ground gypsum, 470 tons and 480 barrels, valued at

\$2,375; and of plaster of paris, 2,400 barrels, valued at \$2,400. Of plaster of paris to Nova Scotia, 348 barrels, valued at \$400. The quantity of this mineral is almost inexhaustible, and the quality of the best description.

The "International Manganese Company," formed for the purpose of mining manganese, own lands near Sussex, on the line of railway. Their exports for 1865 were 222 tons, valued at \$3,856. Several other manganese mines are being opened up in the Province.

There are several Companies who quarry building stones for export. The quantity shipped to the United States in 1865 was 6,975 tons, valued at \$44,185.

NOVA SCOTIA.

The Gold and Coal Mines of Nova Scotia are now one of the chief sources of the wealth of the Province.

Gold.—The earliest discovery of gold in the colony, made known to the public, was in 1860, near Tangier Harbor, by one John Pulsiver, of Musquodoboit. In April, 1861, the Government formally took possession of the district and commenced laying off mining lots, of which about a hundred were soon leased. A Gold Commissioner was then appointed, and annual reports began to be issued, the first of which is for 1862. From these reports we collect the following statistics, which will illustrate the condition and progress of the gold-mining industry of Nova Scotia:—

	Average No. of men employed.	No. of Crushing Mills.	Steam Power.	Water Power.	Quartz, Sand and Gravel crushed.		Yield per ton.		Gold from alluvial mines.		Total yield.		Maximum yield per ton.		Average yield per man for twelve mos. at \$18.50 per ton.
					Tons, cwt. lbs.	oz. dwt. gr.	oz. dwt. gr.	oz. dwt. gr.	oz. dwt. gr.	oz. dwt. gr.	oz. dwt. gr.	oz. dwt. gr.	oz. dwt. gr.	oz. dwt. gr.	
Year ending Dec. 31, 1862,	484	30	18	12	6,401 00 00	1 01 01	311 00 0	7,275 00 00	25 00 0	\$368 00					
Year ending Dec. 31, 1863,	877	35	25	10	17,001 14 15	16 12	28 00 0	14,001 14 17	66 00 0	206 00					
Nine mos. end'g Sept. 30, '64,	830	35	23	12	15,316 14 00	19 00	38 11 3	14,565 09 08	103 14 0	324 66					
Year ending Sept. 30, 1865,	692	33	23	10	23,835 11 00	1 00 21	141 00 7	24,867 05 22	16 10 0	664 80					

Mr. P. S. Hamilton, of Halifax, the Chief Commissioner of Mines, says, in his report for 1865, that "everything indicates a large increase and profitable extension of profitable gold-mining operations in future years." The steady increase of the yield per man, and of the yield per ton of quartz crushed, would seem to justify this opinion. The Commissioner remarks that "the great band of metamorphic rock which extends along the Atlantic coast the whole length of the Province is auriferous, and to such a degree, that gold-mining there can be carried on with handsome profits."

Coal.—The growth of the coal-mining industry of Nova Scotia is best shown by the following tabular statement of the tons of coal raised since 1827:—

Y E A R.	Tons.	Y E A R.	Tons.	Y E A R.	Tons.
1827, . .	11,491	1840, . .	98,267	1853, . .	196,935
1828, . .	19,429	1841, . .	136,110	1854, . .	213,250
1829, . .	20,252	1842, . .	119,478	1855, . .	216,338
1830, . .	25,240	1843, . .	97,200	1856, . .	231,934
1831, . .	34,424	1844, . .	99,093	1857, . .	267,808
1832, . .	46,585	1845, . .	137,908	1858, . .	289,618
1833, . .	59,497	1846, . .	134,393	1859, . .	267,496
1834, . .	46,677	1847, . .	183,099	1860, . .	304,129
1835, . .	51,813	1848, . .	170,518	1861, . .	334,545
1836, . .	98,427	1849, . .	158,955	1862, . .	393,631
1837, . .	109,347	1850, . .	163,725	1863, . .	429,351
1838, . .	97,938	1851, . .	139,976	1864, . .	406,699
1839, . .	133,928	1852, . .	171,821	1865, . .	651,256

Taking the value of coal at the mine to be only \$3.00 per ton, the product of 1865 represents a value of nearly \$2,000,000.

Respecting coal mining, the Chief Commissioner remarks that "its general results have been no less satisfactory than those of gold mining." There were at the date of his last report thirty collieries in operation, some only just opened, but with one or two exceptions, all with the best of prospects. In addition to the territory of the General Mining Association, there were 31 square miles of country under coal mining leases, and 1,920 square miles under license to explore.

The Coal sold in 1865 was from the following Mines:—

MINES.	County.	TOTAL QUANTITY SOLD.	
		Tons Slack.	Tons Round.
Chiegnecto Co.,	Cumberland, . .	-	25
Joggins,	"	1,377	5,876
Laurence,	"	1,557	519
Maccan,	"	-	-
St. George Co.,	"	-	-
Victoria,	"	-	4,205
Acadia,	Pictou,	1,041	5,913
Albion,	"	23,106	180,218
Bear Creek,	"	-	40
McDonald and McKay,	"	31	104
Nova Scotia Coal Co.,	"	-	43
	"	-	12
Acadia,	Cape Breton, . .	35	2,345
Block House,	"	-	101,968
Caledonia, Cow Bay,	"	-	1,083
Caledonia, Glace Bay,	"	-	-
Clyde,	"	72	8,976
Collins,	"	-	4,321
Glace Bay,	"	5,550	76,277
Gowrie,	"	6,203	35,387
International,	"	5,613	9,880
Lingan,	"	253	56,908
Matheson, L. Bras d'or,	"	79	1,157
Mira Bay,	"	7	2,391
Roach and McInnis,	"	-	282
Sidney,	"	1,172	98,253
Port Hood,	Inverness, . . .	113	1,097
Richmond,	Richmond, . . .	566	3,584
Sea Coal,	"	201	205
New Campbellton,	Victoria, . . .	282	4,955

Of this amount there was

	Tons Slack.	Tons Round.
Sold for home consumption,	8,276	51,262
Exported to neighboring colonies,	8,003	44,558
to other countries,	30,980	509,775
Totals,	47,259	605,595

Iron.—The only place in Nova Scotia where Iron was being mined and melted in 1865 was at the "Acadian Charcoal Iron Company's" works at Londonderry. There then were employed 250 hands, producing 1,600 tons of bar iron within the year, of which 1,500 were shipped to England.

The statute of Nova Scotia "of Mines and Minerals" provides that quartz mines (gold) shall in general be laid off in areas of 150 feet along a quartz lode by 250 feet across, in quadrilateral and rectangular shape. Payment in advance on application for a gold mine, \$2. Leases to be for 21 years. One hundred days' labor to be employed annually on each area, unless more than 10 are held by one person, in which case some allowances are made.

Prospecting licenses (gold) cover an area not exceeding 100 acres, and cost 50 cents per acre for the first ten, and 25 cents per acre for the remainder. Bonds must be entered into to recompense private owners for damage done to their lands; also to employ at least one man per day in developing the area.

Quartz mills must be licensed, and keep books open to government inspection. They must reserve for the government a royalty of 3 per cent. of the produce of gold.

Licenses to explore for other than gold mines, valid for one year, cover tracts not to exceed five miles square, but not less than 2 miles in width, and cost \$20. Bonds are required similar to those given in the case of gold licenses. Licenses to work cover two years. Leases of coal mines must expire on or before 25th August, 1886. Leases of mines other than coal or gold are for twenty-one years. Royalty is payable quarterly on minerals "in marketable condition" of 5 per cent. on all ores and minerals, except gold, iron and coal—of 8 cents per ton on every ton of iron, and 10 cents per ton on every ton of coal. Returns to be made under oath.

NEWFOUNDLAND.

The Mining industry of this Colony is yet in its infancy, but from the Mines already discovered and in course of working, as well as from the opinions of competent authorities upon the indications of deposits in various portions of the Island, there is good reason to believe that it possesses considerable mineral

wealth, which is only awaiting the application of enterprise and science to give it a prominent place amongst its resources.

Union Copper Mine.—This mine is situated at Tilt Cove, near Cape John, in the northern part of the Island. It was discovered by Mr. Smith Mackay, in the year 1864. Mr. Charles F. Bennett, merchant of St. John's, (a gentleman of great enterprise,) and Mr. Mackay, soon after became proprietors of the mine, and commenced the necessary preparations for its working. During the summer and autumn of 1865, they employed about fifty men, and shipped to Swansea five hundred tons ore, roughly dressed, yielding from ten to twenty per cent. yellow sulphate. During the winter and spring of the present year, the same number of men found employment at this mine; and in August, the crew was increased to the number of eighty hands, one-fourth of whom were imported from Cornwall. In July and August, there were eleven hundred tons ore shipped, and four hundred tons removed awaiting the arrival of a vessel engaged to take it to England. The results of the former shipments have not yet been ascertained, but the assays give from 10 to 15 and 18 to 20 per cent.

There is a large deposit of pyrites, slightly charged with copper, at Little Bay, to the northward, which has been worked for some time by capitalists in England, for the purpose of extracting the sulphur for sulphuric acid, as well as for its contents of copper. There are now about a dozen men employed in this work. Some of this ore has yielded nine and ten per cent. of copper. It is considered exceedingly rich in sulphur.

Lead Mine at La Manche, Placentia Bay.—This mine was opened seven years ago, and several cargoes good lead ore (about two thousand five hundred tons,) have been shipped therefrom, almost all to the United States. This ore is said to have yielded 75 per cent. It sold at rates varying from £15 to £20 per ton. This mine has not been worked at all during the last two or three years.

Mineral Oil.—Mr. Bennett, above named, has discovered within this year a Mineral Oil Spring at Port-aux-Port, the samples of which appear to indicate an article of much value. The probable degree of productiveness of the spring has yet to be learned.

Marble.—At Canada Harbor, in Canada Bay, there is a width of three hundred feet of pure white marble, running westerly along the ridge of a hill some 300 feet high, dipping at an angle of about 45 degrees to the south. Mr. Bennett has opened a quarry in the north side of this deposit, and has sent samples to London, which have been pronounced by a gentleman of first-class authority there superior for statuary purposes to the marble of Carrara. In August last he had specimens taken out at a depth of seven feet, where the bed, from sixteen to eighteen feet wide and thirty feet in length, appeared to be of the same description. He afterwards had the brushwood, &c., removed from up the hill and along its ridge for the greater part of a mile, and then at intervals throughout this space, removed the soil down to the rock, where, at each opening, the same white marble appeared. From this it would seem that the supply is superabundant.

The same class of marble also appears on the opposite side of the bay, with a pink vein running through it.

Roofing Slates.—There are in the Island extensive deposits of roofing slates, which a few men with their own unaided labor are working to profitable account. The slate they produce absorbs but very little water, and is considered fully equal, if not superior, to any found in Wales. No efficient system for the opening of quarries on a large scale has as yet been attempted.

PRINCE EDWARD ISLAND.

There are no regulations respecting mining in Prince Edward Island. No minerals have been discovered and there is no stone fit for building purposes, the stone for the Province Building having been imported from Nova Scotia. A grant was made by the General Assembly to have a bore made to test their strata for oil or coal, both of which have been supposed to exist, but nothing has been actually done in the matter.

ELECTRIC TELEGRAPHS.

CANADA.

There were three Electric Telegraph Companies in Canada in 1865,—the Montreal, the Provincial, and the Vermont and Boston. Concerning these, the following official statistics were published:—

1865.	Montreal Tel. Co.	Provincial Tel. Co.	Vermont and Boston Tel. Co.	Total.
Length of Line, miles, . . .	4,326	600	43	4,978
Length of Wire, miles, . . .	5,457	652	43	6,152
No. of Stations open to the public, .	331	37	1	369
Number of Instruments, . . .	370	40	1	411
Number of public messages sent,* .	444,878	25,000	9,453	479,331

* In addition to these are Press Messages and Check Messages on Company's own business. Some twelve or fourteen Journals are furnished with dispatches twice and three times a day.

During the current year, 1866, the Vermont and Boston Company have withdrawn, their line passing into the hands of the Montreal Telegraph Company, and the Provincial and Montreal Companies have considerably extended their wires. The capital of the Montreal Telegraph Company is \$500,000, all paid up: usual dividend, 10 per cent.

The Montreal Telegraph Company own the following cables under the St. Lawrence: one at Cap Rouge, Quebec, $\frac{3}{4}$ mile; one at Bout de Isle, $\frac{1}{2}$ mile; one at Prescott, $\frac{1}{2}$ mile; two at Blackrock, Buffalo, $\frac{1}{2}$ mile each; one at Sarnia, $\frac{1}{3}$ mile: besides nearly a dozen at various canal crossings. It connects with its New Brunswick line *via* Campbelltown, and with the States at numerous points along the frontier.

NEW BRUNSWICK.

There are four telegraph companies owning lines in New Brunswick.

The New Brunswick Electric Telegraph Company's wires connect the United States and Nova Scotia, with branches from Salisbury to Harvey, and from Moncton to Shediac. Capital, \$128,000; dividend, $4\frac{1}{2}$ per cent. half-yearly.

The line of the Fredericton and St. John Telegraph Company connects St. John with Woodstock, N. B. Capital, \$48,000 ; dividend, 4 per cent. half-yearly.

Both the above are leased and worked by the "American Telegraph Company."

The Montreal Telegraph Company own the line from Sackville, N. B., *via* Shediac and Chatham, to Campbelltown, with a submarine cable at Dalhousie half a mile in length.

The New York, Newfoundland, and London Telegraph Company have a line between Sackville and Tormentine, N. B., connecting with the cable across Northumberland Straits to Prince Edward Island.

The following table shows the length, &c., of the wires of these several companies:—

	N. Brunswick Tele. Co.	Fredericton and St. John Tele. Co.	Montreal Tele. Co.	N York, New- foundland & London Tel. Company.	Totals.
Length of Line, miles, .	370	130	220	40	760
" of Wire, miles, .	500	130	220	40*	890
Number of Stations, .	18	3	8	2*	31
" of Instruments, .	25	3	8*	2*	38

* Supposed; returns not giving these particulars.

There are no means in New Brunswick of ascertaining the number of messages sent during the year by the companies leasing the various lines.

NOVA SCOTIA.

The lines of the Nova Scotia Telegraph Company are leased and managed by the American Telegraph Company for 5 per cent. per annum on their capital. Mr. Jesse Hoyt is the President, and Mr. W. H. Wiswell, of Halifax, the Secretary and chief executive officer of this company. The following are the statistics of the Nova Scotia lines:—

Number of miles of line,*	1,198
of miles of wire,	1,465
of offices open,	54
of instruments,	66
of public messages, per annum, about,	60,000

* See further Newfoundland.

These lines include a mile and a half of heavy submarine cable at Cape Canso, half a mile at Pugwash, and one mile at Arichat.

The Nova Scotia lines connect with those of New Brunswick, (also for Canada, the States, and Prince Edward Island,) at Sackville, N. B.; with those of Newfoundland at Port Hood, Cape Breton.

It is claimed that the tariff of charges is cheaper in Nova Scotia than in any part of the world. The charge for short distances (in one case about 100 miles,) is only 12½ cents.

PRINCE EDWARD ISLAND.

There are two lines of telegraph in Prince Edward Island.

The New York, Newfoundland and London Telegraph Company were induced, some six years ago, by the guarantee of £200 a year subsidy for 20 years, to lay down a submarine cable from Cape Tormentine, New Brunswick, to Cape Traverse, Prince Edward Island, a distance of 10 miles, and to connect that point with Charlottetown, 30 miles. They have a station at Charlottetown, and in winter keep up another at the Cape. Another wire has been stretched by other parties along the posts of this company from Charlottetown to Cape Traverse, and is continued thence to Summerside, 20 miles. The telegraph statistics for the Island, therefore, are:—

Miles of line, cable,	10
land wire,	50—60
Miles of wire,	90
Number of stations, (constant,)	2
of instruments,	3

The number of messages sent is not ascertainable.

NEWFOUNDLAND.

The New York, Newfoundland and London Telegraph Company have the permission of the American Telegraph Company to maintain three stations in Cape Breton, to connect with the continent of America. The connection involves a length of line of 140 miles, including a cable from Aspey Bay, Cape Breton, to Port au Basque, Newfoundland, of 85 miles in length.

RECAPITULATION.

Thus all the Provinces of British North America compare as follows in respect of their electric telegraphs:—

	Canada.	New Brunswick.	Nova Scotia.	Prince Edward Island.	Newfoundland.	Totals.
Length of Line, miles, . .	4,978	760	1,198	60	500	7,496
“ of Wire, miles, . .	6,152	890	1,465	90	500	9,097
Number of Stations, . .	369	31	54	2	15	471
“ of Instruments, . .	411	38	66	3	20	538

Nova Scotia is better supplied with telegraphic facilities than any other Province.

Nova Scotia,	. 1 station to	6,500 people.
Canada,	. 1 “ “	8,000 “
New Brunswick,	. 1 “ “	9,000 “
Newfoundland,	. 1 “ “	10,000 “
Prince Edward Island,	. 1 “ “	45,000 “

The increase of electric telegraphs has been rapid and continuous since 1847. In that year, both the Montreal Telegraph Company and the Toronto, Hamilton, Niagara and St. Catharine's Electro-Magnetic Telegraph Company were incorporated. The latter company's line was built first, and was the first line put up in British America: it was a simple, insulated copper wire.

RAILWAYS.

CANADA.

The railways of Canada have all been constructed by private companies, assisted in most cases by advances from Government, on which they have undertaken to pay interest as upon other stock. In the case of the Grand Trunk Railway,—the largest in the country and the one most essential to the development of its commerce and its military defence, the Government lien has been postponed, *i.e.*, it is not to carry interest until the road pays 3 per cent. to the private bond and shareholders.

From the statement recently published by the Auditor, we glean the annexed particulars respecting the roads therein mentioned, for 1865.

RAILWAYS.	Length in Miles.	Cost of Road and Equipment.	Receipts.	Working Expenses and Renewals.	No. of Persons Employed.
Great Western, . . .	345	\$23,855,881	\$3,370,637	\$1,545,595	2,851
Grand Trunk,* . . .	1,377	80,704,095	6,470,998	4,932,764	5,370
London & Port Stanley, . . .	21½	1,032,850	33,101	26,044	38
Welland, . . .	25½	1,622,843	100,016	69,746	56
Northern, . . .	97	5,457,789	506,748	275,941	446
Port Hope, Lindsay & Beaverton, . . .	43	1,593,536	94,021	} 78,123	130
Cobourg & Peterboro',†	73	400,000	63,814		
Port H. & Peterboro',‡	14	900,000	21,098	18,450	18
Brockville & Ottawa, . . .	86½	2,602,024	86,575	65,814	108
Prescott & Ottawa, . . .	54	2,008,994	86,126	65,137	138
Carillon & Grenville, . . .	13	95,077	10,386	5,784	13
Stanstead, Sheffield & Chambly, . . .	44	1,216,000	58,420	44,138	70
St. Lawrence & Industrie, . . .	12	54,100	8,648	6,566	20
Totals, . . .	2,148½	\$121,543,189	\$10,910,678	\$7,134,102	9,258

* Including the Montreal and Champlain, and the Buffalo and Lake Huron Railways.

† Not including eighteen miles in common with the P. H., L. & B. Railway.

‡ This is the length of the section from Cobourg to Rice Lake, the only one now used.

We further learn from the statement that the total amount paid by the roads for dividends, leases, interest, &c., was \$3,558,284, or very nearly 3 per cent. on their total cost; that they own 426 locomotives, 261 first class, 204 second class, 4,054 freight, 2,007 timber and platform, and 319 other cars, not including hand-cars; that they carried 2,431,365 passengers, and 1,943,963 tons of freight. "Accidents" killed 62, and injured 64 persons during the year.

The Erie and Ontario Railroad has been re-built and re-opened during the past summer, but we have no official figures respecting it.

The Canadian Railway gauge is 5 feet 6 inches, the American being 4 feet 8½ inches. The exceptions are the Prescott and Ottawa, Grenville and Carillon, and St. Lawrence and Industrie

roads, which have the American gauge, and the Montreal and Champlain Railway, which has a third rail from the St. Lambert Junction, to connect with Montreal through the Victoria Bridge.

NEW BRUNSWICK.

There are two railways in operation in New Brunswick—the “European and North American” and the “New Brunswick and Canada” lines. The former of these is a public work, and the Province owns stock in the latter. The St. Stephen’s Branch railway, 18 miles long, will probably be opened towards the close of the year. Preparations are being made for the building of several others.

The following statistics relate to the affairs of these companies:—

	European and N. American Railway.	N. Brunswick and Canada Railway.	Total.
Length of Line,	108	88	196
Cost of Construction,	\$1,747,713*	\$2,750,000	\$7,497,713
Gross Revenue, 1865,	133,409	53,904	187,313
Gross Expenditure, 1865,	94,907	38,619	133,526
Net Revenue, 1865,	\$38,502	\$15,285	\$53,787
Number of Passengers carried,	144,336	8,038	152,374
Tons of Freight carried,	44,518	41,568	86,086
Passenger Fare, per mile, 1st class,	2 cts.	2½ cts.	—
Passenger Fare, per mile, 2d class,	ab’t 1½ cts.	—	—

* This amount slightly differs from that given as the value of the road in the Provincial balance sheet, by reason of the premium at which the debentures were sold appearing in this account and not in the balance sheet.

The New Brunswick and Canada Railway was originally projected for the purpose of connecting Quebec with an open seaport at St. Andrew’s; and when the Grand Trunk was opened to Rivière du Loup, the intention was to connect with it, thereby continuing the line from Richmond, the present terminus, *via*. Florenceville, Grand and Little Falls. Distance from Rivière du Loup to Richmond, about 185 miles. The line is owned by the debenture holders, who reside in England.

The net revenue of the E. & N. A. Railway is thus $\frac{3}{4}$ of 1 per cent. of its cost, and that of the N. B. & C. Railway about the same.

NOVA SCOTIA.

The Nova Scotia Railway is a Provincial work. It runs from Halifax, on the Atlantic, to Windsor, on the Bay of Fundy, with a branch to Truro, whence it is being extended to Pictou, on the Gulf of St. Lawrence. It will eventually connect with the Intercolonial line. It was opened to Windsor and Truro, both in 1859, since which time its gross earnings have steadily increased from \$102,877 in 1859 to \$183,954 in 1865. It, nevertheless, only just pays working expenses, the net revenue even in the latter year being but one-half of one per cent. on the cost of the road; so that, although it is undoubtedly of great advantage to the Province, the public exchequer has to make good $5\frac{1}{2}$ per cent. of the interest on the bonds. The following are the statistics relating to the line for the year ending 30th Sept., 1865:—

Length of line, (Halifax to Truro, 61; Halifax to Windsor, 45—13 common,)	93 miles
Cost of construction,	\$4,319,507
Gross revenue, 1865—passengers, \$82,073; horses and wagons, \$18,244; freight, \$80,422; miscellaneous, \$3,213; total,	\$183,954
Gross expenditure—locomotive power, \$47,803; cars, \$33,446; maintenance, \$66,248; miscellaneous, \$11,572,	159,069
Net revenue,	\$24,885
No. of passengers carried—1st class, 52,874; 2d class, 68,098; total,	120,972
Tons of freight carried—eastward, 29,436; westward, 14,703; total,	44,138
Mileage of trains, (miles,)	158,422
Accidents—1 fatal; 3 slight; total,	4
Engines—passenger, 16; ballast, 4; total,	20
First-class cars, 10; 2d, 9; freight, 34; horse and cattle, 21; platform, 106.	

SHIPPING OWNED IN THE PROVINCES.

UPPER CANADA.

It is no easy matter to make an accurate statement as to the number and tonnage of vessels, owned in Canada, for the system of registration is imperfect both on the part of the private owners and the public officers.

The most reliable record of the Shipping of the Lakes and River St. Lawrence is that contained in the Register prepared by Captain Thomas, for the use of underwriters, condensed into the following table:—

NUMBER.	Under 50 tons.	Between 50 and 100 tons.	Between 100 and 300 tons.	Between 300 and 500 tons.	Above 500 tons.	Total number.	Total tons.	Value in dollars.
Steamers, . .	-	18	56	30	17	121	33,383	\$1,786,700
Propellers, . .	6	25	24	21	4	80	16,044	906,700
Barkentines, . .	-	-	9	40	1	50	18,091	542,300
Brigantines, . .	-	-	12	7	-	19	4,903	89,700
Sloops, . .	1	4	-	-	-	5	285	4,100
Schooners, . .	37	88	162	23	-	310	44,563	1,040,200
Total, . .	44	135	263	121	22	585	117,269	\$4,369,700
Add barges—carrying capacity, 1,837,650 bushels,						175	31,979	\$445,700

Separating the figures for Upper and Lower Canada, we have :

	Steamers.	Propellers.	Barkentines.	Brigantines.	Sloops.	Schooners.	Total.	Tons.	Value.
Upper Canada, .	53	37	48	17	4	273	432	83,580	\$2,620,000
Lower Canada, .	68	43	2	2	1	37	153	33,689	1,749,700

To this statement for Upper Canada should, perhaps, be added a number of vessels of less than 50 tons, which the Insurance Register does not mention. We estimate this at 75 sailing, and 15 steam vessels of 1,400 and 500 tons respectively, making for Upper Canada, besides barges, a total of:—

Steam vessels—No.	68,	tons	23,206	Value, say	\$1,139,700
Sailing vessels—“	454,	“	62,234	“	1,557,300
Total U. C.	522,	“	85,440	“	\$2,697,000

LOWER CANADA.

At the Port of Montreal, the register under the Provincial Act shows a total of 75 steamers, and 355 vessels not steamers, with a tonnage of 6,265, and 31,737 tons respectively. These are chiefly tugs, dredges, scows and barges, engaged altogether in the inland navigation. Perhaps they should be almost entirely left out of this account, which is only intended to include vessels fitted for the navigation of the sea or of the lakes. Under the Merchant Shipping Act of 1864, there are registered in the port 65 steamers, of 15,764 tons, and 148 sailing vessels, of 28,638 tons. Six of the sailing vessels of 4,594 tons are owned abroad, and should be taken off for the purposes of this account. This would leave 207 vessels of 39,808 tons. In Quebec the register shows:—

Of 50 tons and over	472 vessels, 83,123 tons.
Of less than 50 tons	287 “ 9,758 tons.

On the north and south coasts of the river and Gulf below the port of Quebec, (which extends to Bic,) about 170 vessels are owned, with 12,300 tons. Adding all these figures together, we have as a total for Lower Canada, 1,136 vessels, of 144,989 tons. These include the fleet of Canadian Ocean Steamships.

NEW BRUNSWICK.

The returns of the Comptroller of New Brunswick, who is also the Registrar and Surveyor of Shipping, show the tonnage registered in the Province on the 31st December of each successive year. The figures are as follow:—

	No.	Tons.		No.	Tons.
1854, . . .	878	141,454	1860, . . .	825	147,083
1855, . . .	866	138,292	1861, . . .	813	158,240
1856, . . .	892	164,226	1862, . . .	814	157,718
1857, . . .	857	160,508	1863, . . .	891	211,680
1858, . . .	812	139,095	1864, . . .	958	233,225
1859, . . .	811	134,055	1865, . . .	1,019	300,695

The number and tonnage of the vessels owned in 1865 was thus distributed between the three Ports of Registry :—

	No.	Tons.
St. John,	628	263,783
Miramichi,	146	21,139
St. Andrew's,	245	24,773
Total,	1,019	300,695

NOVA SCOTIA.

The Nova Scotia Returns only enable us to carry back the statement of shipping registered in that Province to the year 1857, statistics having been little attended to there until of late. The following is the account from that period :—

VESSELS REGISTERED in the various ports of NOVA SCOTIA on Sept. 30th :—

Y E A R.	Number.	Tons.	Value.
1857,	1,994	183,697	\$6,731,080
1858,	2,107	185,080	6,471,780
1859,*	—	—	—
1860,	3,118	234,743	6,096,780
1861,	3,258	248,061	6,487,490
1862,	3,408	277,718	7,417,805
1863,	3,539	309,554	8,965,950
1864,	3,718	365,503	11,392,857
1865,	3,898	409,409	13,347,509

PRINCE EDWARD ISLAND.

The shipping owned in Prince Edward Island can now be stated with accuracy, for the vessels wrecked, broken up, or sold abroad, which had not been properly written off the books for nearly 20 years, were so written off in 1865.

The account—supplying the value, which is not stated in the Island returns, at \$35 per ton,—stands, Dec. 31, 1865:—No., 272; tons, 39,549; value, \$1,384,215.

NEWFOUNDLAND.

As might be expected, the number of vessels owned in Newfoundland is considerable. The account showed on December 31st, 1865 (supplying the value at \$40 per ton):—No., 1,486; tons, 87,023; value, \$3,480,920. Seven only of these vessels appear to be steamers: 2 of 60 tons, employed as tugs; 2 of 117 tons, as mail-boats from St. John's to the outports; and 3 of 535 tons, as sealers.

RECAPITULATION.

The above statements show, as the shipping owned in British North America:—

PROVINCE.	No.	Tons.	Value.
Upper Canada,	522	\$85,440	\$2,697,000
Lower Canada,	1,136	144,989	5,799,560
New Brunswick,	1,019	309,695	11,000,000
Nova Scotia,	3,508	363,068	11,976,758
Prince Edward Island,	272	39,549	1,384,215
Newfoundland,	1,486	87,023	3,480,920
Total,	7,943	1,029,764	\$36,338,453

The average tonnage of the vessels owned in the various Provinces is:—

In Upper Canada,	164 tons.
Lower Canada,	128 “
New Brunswick,	304 “
Nova Scotia,	104 “
Prince Edward Island,	145 “
Newfoundland,	58 “

The tonnage owned, per head of the population,—taking as the population the numbers estimated in the article on the census to be living in the Provinces in January, 1867,—is:—

In Upper Canada,	0.05 tons per head.
Lower Canada,	0.11 “ “
New Brunswick,	1.05 “ “
Nova Scotia,	0.98 “ “
Prince Edward Island, . .	0.43 “ “
Newfoundland,	0.64 “ “
Average for all British North America, 0.26	“ “

GREAT BRITAIN.

Sailing and steam vessels registered in the ports of the United Kingdom and the Colonies on 31st December, 1864. (Commons' paper No. 331, shipping 1865):—

		Sailing Vessels.	Tonnage.	Steam Vessels.	Tonnage.
England, . . .	{ Small, . . .	7,290	229,577	772	17,973
	{ Large, . . .	12,916	3,815,426	1,135	510,476
Scotland, . . .	{ Small, . . .	1,073	32,771	106	2,709
	{ Large, . . .	1,953	575,778	295	112,559
Ireland, . . .	{ Small, . . .	989	28,434	47	1,263
	{ Large, . . .	1,054	165,317	127	50,595
Isle of Man, . .	{ Small, . . .	277	6,848	—	—
	{ Large, . . .	48	4,047	5	1,509
Channel Islands, .	{ Small, . . .	208	5,726	1	16
	{ Large, . . .	354	66,295	2	181
British Possessions, {	Small, . . .	5,717	156,526	112	3,224
	Large, . . .	6,012	1,232,015	325	66,823
In the British Islands,		26,142	4,930,219	2,490	697,281
In the Colonies,		11,729	1,388,541	437	70,047
Total,		37,871	6,318,760	2,927	767,328

NOTE.—The “Small Vessels” are of less than 50 tons burden; the large ones of 50 tons or more.

SHIP-BUILDING.

NEW BRUNSWICK.

The following return of the new vessels registered in the Province of New Brunswick, and their tonnage, in each year from 1850 to 1864, including vessels built for owners in the United Kingdom, and sent home under certificate or governor's pass, shows the extent of the ship-building industry of the Province. Almost all these vessels were built at St. John. Since the establishment of a system of surveying by Lloyd's surveyors, the quality of the ships built at New Brunswick has very much improved :—

Y E A R .	No.	Tons.	Y E A R .	No.	Tons.
1852, . . .	118	58,399	1859, . . .	93	38,330
1853, . . .	122	71,428	1860, . . .	100	41,003
1854, . . .	135	99,426	1861, . . .	80	40,523
1855, . . .	95	54,561	1862, . . .	90	48,719
1856, . . .	129	79,907	1863, . . .	137	85,250
1857, . . .	148	71,989	1864, . . .	163	92,605
1858, . . .	75	26,263	1865, . . .	148	65,474

Since 1825 (41 years,) there have been built 4,317 vessels, measuring 1,649,860 tons register: averaging 104 vessels, 40,240 tons, for each year. The vessels registered since 1st May, 1855, were measured under the Merchant Shipping Act, 1854, which reduced the tonnage by about 10 per cent. as compared with the Act previously in operation.

NOVA SCOTIA.

The following figures show the extent of the ship-building industry of Nova Scotia for the past six years :—

Y E A R .	No. of Vessels built.	Tons register.	Estimated Value.
1860,	233	20,684	\$852,831
1861,	216	23,634	972,448
1862,	201	39,383	1,566,168
1863,	207	46,862	1,962,814
1864,	304	73,038	2,943,204
1865,	294	56,768	2,481,752

Very few of these vessels—not more than 40 *per annum*, were sent abroad for sale.

They were built at almost all the ports, and are chiefly vessels of small tonnage, as will be seen by the following table, relating to the ships registered in 1865 :—

PORTS WHERE REGISTERED.	Sloop.	Schooner.	Brigantine.	Brig.	Barque.	Ship.	Total No. of new vessels.	Tons register.	Estimated value.
Annapolis, . . .	-	5	2	3	-	-	10	1,535	\$74,000
Arichat, . . .	-	12	3	-	-	-	15	1,512	64,400
Baddeck, . . .	-	1	-	-	-	-	1	81	2,916
Digby, . . .	-	4	7	1	1	-	13	2,554	136,200
Guysborough, . .	-	4	1	-	1	-	6	730	29,300
Halifax, . . .	1	33	16	5	8	-	63	10,357	414,320
Liverpool, . . .	-	7	7	-	6	-	20	4,198	270,000
Lunenburg, . . .	-	9	3	-	-	-	12	945	49,140
Parrsboro, . . .	-	8	10	2	2	-	22	3,884	155,360
Pictou, . . .	-	4	7	-	7	1	19	4,983	198,350
Port Hawkesbury, .	-	6	1	-	-	-	7	498	16,936
Pugwash, . . .	-	4	4	2	1	-	11	1,750	74,050
Shelburne, . . .	-	8	7	-	4	-	19	3,202	170,000
Sydney, . . .	-	5	-	-	-	-	5	320	12,700
Windsor, . . .	-	10	18	6	6	2	42	9,948	397,920
Yarmouth, . . .	-	8	5	-	13	3	29	10,271	409,560
Total, . . .	1	128	91	19	49	6	294	56,768	\$2,481,752

PRINCE EDWARD ISLAND.

STATEMENT of the number and tonnage of vessels built since 1850, with the estimated value thereof:—

Y E A R .	No.	Tons.	Value.	Y E A R .	No.	Tons.	Value.
1850, . .	93	14,367	\$502,845	1858, . .	69	13,073	\$457,555
1851, . .	89	15,721	550,235	1859, . .	61	11,064	387,240
1852, . .	76	10,748	376,180	1860, . .	66	12,636	442,260
1853, . .	76	13,340	466,900	1861, . .	67	12,732	445,620
1854, . .	106	24,111	843,885	1862, . .	89	18,418	644,630
1855, . .	86	15,559	544,565	1863, . .	100	24,991	874,685
1856, . .	51	22,781	797,335	1864, . .	119	24,688	864,080
1857, . .	104	24,060	842,100	1865, . .	130	26,193	916,755

From two-thirds to three-fourths of these vessels are exported annually, the figures for 1865 being: Transferred to other ports and sent home under governor's pass, No., 89; tons, 18,276; value, \$639,660. For so small a population as that of Prince Edward Island, these figures are very remarkable.

NEWFOUNDLAND.

Newfoundland buys ships from Nova Scotia and Prince Edward Island, but a large number of small fishing craft are built there. In 1865 these so built were, No., 71; tons, 2,010; value \$80,400.

MONTREAL OCEAN STEAMSHIP COMPANY.

This Company was formed in the year 1853, and its first steamers were employed in the transport service in the Crimea during the war with Russia. The first trip to Canada was made in 1854; but the regular Mail Service commenced in 1856. The service was then once a fortnight, but in 1859 it was increased to a weekly line, and has now run with regularity ever since.

The Company's vessels now comprise the following:—

MAIL LINE.

Austrian . . .	2,650 tons.	Nova Scotian . .	2,250 tons.
Nestorian . . .	2,650 "	Belgian . . .	2,250 "
Moravian . . .	2,650 "	North American .	1,768 "
Peruvian . . .	2,500 "	Damascus . . .	1,600 "
Hibernian . . .	2,500 "		

GLASGOW LINE.

St. David . . .	1,650 tons.	St. Andrew . . .	1,430 tons.
St. George . . .	1,430 "	St. Patrick . . .	1,200 "

The Glasgow Line runs once a fortnight from each side.

The average length of passage made by these Steamers has been nearly as follows:—

Mail Line Westward,	.	.	.	10 to 11 days.
do.	do.	Winter,	.	12 to 13 "
do.	Eastward,	Summer,	.	10 "
do.	do.	Winter,	.	12 "
Glasgow Line, Westward,	Summer,	.	12 to 13 "	
do.	do.	Winter,	.	15 to 16 "
do.	Eastward,	Summer,	.	11 to 12 "
do.	do.	Winter,	.	13 to 14 "

The capital of the Company in steamships, tenders, lighters, workshops, and other plant, may be estimated at about one million of pounds sterling, or \$5,000,000.

The individuals forming the Company are also the owners of twenty-five sailing ships, of an aggregate of 20,000 tons. Of these, six are built of iron, and the remainder of wood, and they trade to all parts of the world. The Company keep constantly in their employ about three thousand men, thus being the means of support for about fifteen thousand people, besides the large number of persons constantly engaged in building new vessels and repairing others. The magnitude of this Company's establishment may be a surprise to many in the Colonies and elsewhere. There are not many people prepared to learn that, taking in their sailing vessels, there are only three or four larger companies in the world, namely, the Cunard, the West India Royal Mail Company, and one or two others, which are a little larger. The Inman Company is about equal.

CANADIAN TRADE.

IMPORTS.

No. 1.—Statement of the Imports into Canada, (Goods entered for consumption,) from Great Britain, the British Colonies in North America, and the West Indies, the United States, and all other Countries, from 1850 to the present time. (Coin and bullion excluded from the total.)

Y E A R.	From Great Britain.	FROM BRITISH COLONIES.		From the United States.	From other Countries.	Totals.	Quinquennial Averages.	Coin and Bullion.	Duties.
		In North America.	In West Indies.						
1850,	\$9,631,921	\$385,620	\$4,451	\$6,372,494	\$365,216	\$16,759,702		\$222,366	\$2,462,583
1851,	12,037,993	436,971	13,625	7,935,972	570,296	20,494,857		439,933	2,949,756
1852,	10,671,133	480,954	5,115	8,477,693	651,598	20,286,493	\$26,110,362	-	2,957,055
1853,	18,489,121	632,660	3,479	11,782,147	1,071,029	31,281,436		-	4,114,707
1854,	22,903,330	675,115	2,673	15,533,098	1,355,169	40,329,325		-	4,899,005
1855,	13,303,560	865,988	14,135	20,828,677	1,073,909	36,086,109		-	3,525,782
1856,	18,212,934	1,032,594	17,614	22,704,509	1,616,736	43,584,387		-	4,508,882
1857,	17,559,025	751,888	20,823	20,224,051	868,211	39,430,598	30,342,981	-	3,925,051
1858,	12,286,853	423,366	-	15,635,550	732,083	29,077,852		675	3,381,390
1859,	14,767,872	381,370	533	17,592,265	793,873	33,535,913		19,218	4,437,846
1860,	15,839,320	393,464	15,802	17,258,585	905,260	34,412,431		35,504	4,758,465
1861,	17,945,570	499,177	371	20,206,080	1,099,363	39,750,161		3,304,075	4,768,193
1862,	21,089,915	535,469	38,851	22,642,860	1,673,814	45,980,939		2,619,694	4,652,749
1863,	20,176,964	510,713	132,195	18,457,683	2,031,051	41,312,206		4,652,287	5,169,173
1864, six months,	11,878, 17	93,831	217,333	7,952,401	1,264,440	21,406,712		2,475,504	3,068,368
1864-65,	21,035,844	511,570	209,329	14,820,577	3,274,644	39,851,991		4,768,478	5,663,378

EXPORTS.

No. 2.—Statement of the Exports from Canada to Great Britain, the British Colonies in North America, and the West Indies, the United States, and all other Countries, from 1850 to the present time. (Coin and bullion excluded—"Short Returns" added to exports to the United States.)

Y E A R.	To Gr. Britain.	To BRITISH COLONIES.		To the United States.	To other Countries.	Totals.	Quinquennial Averages.	Coin and Bullion.	Duties.
		In North America.	In West Indies.						
1850,	\$1,803,399	\$1,808,776	\$8,376	\$5,933,243	\$108,281	\$12,943,795	}	*	†
1851,	6,021,401	1,037,519	3,912	4,917,429	164,144	13,810,604		-	-
1852,	6,756,837	812,139	13,991	7,536,155	188,495	15,307,607		-	-
1853,	11,465,408	1,380,466	-	10,725,455	229,974	23,801,303	}	-	-
1854,	10,876,714	1,529,275	8,989	10,418,883	185,329	23,019,190		-	-
1855,	6,738,441	1,023,447	3,749	20,002,291	420,533	28,188,461		-	-
1856,	10,467,644	1,086,041	10,803	20,218,654	263,775	32,047,017	}	-	-
1857,	11,102,045	875,239	-	14,762,641	266,699	27,006,624		-	-
1858,	8,898,611	960,426	-	13,373,138	240,432	23,472,609		-	-
1859,	7,973,106	840,475	7,025	15,586,917	355,806	24,763,329	}	\$3,652	-
1860,	12,749,891	723,534	-	20,698,348	370,889	34,542,662		89,228	-
1861,	18,787,592	1,030,939	12,382	16,158,374	380,395	36,369,682		244,513	-
1862,	15,045,420	826,871	13,775	16,980,810	550,252	33,417,128	}	178,997	-
1863,	17,401,856	935,196	57,542	20,916,533	841,002	40,146,129		1,685,403	-
1864, six months, . .	4,760,244	348,090	14,016	8,022,963	94,029	13,179,342		704,166	-
1864-65,	14,637,158	1,065,037	41,313	24,213,582	835,850	40,792,960		1,688,191	-

* Not returned.

† None.

NATURE OF EXPORTS.

No. 3.—Statement of the Nature of the Merchandise Exported from Canada in each Year, from 1850 to the present time.
 ("Short returns" given in a separate column, the greater part of which should be added to "Products of Agriculture," for purposes of comparison.)

YEARS.	Products of Agriculture.	Produce of the Forest.	Animals and their Products.	Ships.	Manufactures.	Products of the Fisheries.	Products of the Mine.	Other Articles.	Short Returns.
1850.	\$1,337,896	\$5,442,937	\$630,321	\$1,281,721	\$26,708	\$146,051	\$36,582	\$159,496	\$982,083
1851.	3,804,320	6,063,516	879,538	1,666,200	63,208	249,296	86,755	151,883	845,884
1852.	4,725,437	6,578,339	1,183,719	1,050,400	79,133	297,850	33,576	107,501	1,251,633
1853.	8,032,546	9,421,020	1,370,525	2,480,750	194,735	340,003	109,357	63,291	1,789,073
1854.	7,316,161	9,981,367	833,273	2,208,250	216,640	349,711	298,923	44,985	1,769,881
1855.	13,030,400	7,947,923	1,595,184	1,219,545	476,077	459,920	125,835	68,563	3,265,014
1856.	14,972,276	10,019,883	2,564,059	1,213,078	373,628	456,347	165,618	43,198	2,238,900
1857.	8,882,825	11,730,387	2,107,240	1,383,444	398,821	540,113	286,469	121,120	1,556,205
1858.	7,904,406	9,284,514	2,625,978	743,640	325,376	718,296	314,823	112,538	1,443,014
1859.	7,339,798	9,663,962	3,789,502	421,566	487,231	817,423	408,512	110,732	1,661,003
1860.	14,250,225	11,012,253	4,221,237	749,268	502,037	832,616	558,306	137,240	2,270,430
1861.	18,236,476	9,372,645	3,681,468	1,411,480	289,130	663,700	463,118	154,718	1,896,947
1862.	15,011,002	9,482,897	3,923,590	988,428	415,327	703,896	702,906	242,002	1,917,080
1863.	13,472,134	13,543,926	5,502,633	2,287,901	868,782	789,913	871,549	325,649	2,483,642
1864. (6 months.)	4,368,601	4,167,161	2,103,601	927,707	277,789	99,683	146,230	111,694	976,696
1864-65.	10,451,509	14,283,207	8,486,382	1,923,594	1,094,714	765,816	574,664	339,842	2,873,223

TONNAGE INWARD.

No. 4.—Statement of the Tonnage, &c., of Vessels entered at Canadian Ports—showing the Countries whence they came, from 1850 to the present time.

YEARS.	FROM SEA.						FROM ISLAND PORTS.	
	Tons from Great Britain.	Tons from British Colonies.	Tons from the United States.	Tons from other Foreign Countries.	Total Number.	Total Tons.	Total Men.	Quinquennial Averages.
1850,	332,656	27,624	126,981	34,855	1,500	522,116	18,466	•
1851,	446,552	29,648	98,725	33,960	1,732	600,194	20,506	•
1852,	381,844	28,615	115,046	38,737	1,729	564,242	22,803	•
1853,	413,932	46,736	113,593	45,318	1,798	622,579	22,392	•
1854,	501,488	53,525	85,401	64,628	1,890	705,342	24,401	15,431
1855,	279,986	50,730	38,706	50,131	1,168	419,553	14,252	19,365
1856,	358,526	47,196	32,849	112,022	1,494	550,573	18,976	19,452
1857,	477,263	63,237	88,902	119,023	2,047	748,435	30,490	16,547
1858,	475,451	51,155	12,557	74,650	1,657	613,813	22,537	15,880
1859,	438,703	58,815	65,379	78,765	1,715	641,662	24,929	16,447
1860,	615,063	74,557	27,403	114,411	1,992	831,434	30,043	16,314
1861,	835,760	66,120	24,291	150,957	2,442	1,077,128	37,091	14,506
1862,	697,843	77,519	10,931	136,146	2,187	922,439	33,151	16,745
1863,	781,552	72,128	7,843	180,156	2,463	1,041,679	35,851	16,235
1864, (6 months,)	297,392	30,868	16,621	111,087	773	365,968	11,824	6,033
1864-5,	656,595	88,309	45,498	148,544	2,043	938,946	31,184	19,319
								4,199,896

* No returns.

TONNAGE OUTWARD.
No. 5.—Statement of the Tonnage, &c., of Vessels Cleared from Canadian Ports—showing the Countries for which they Cleared, from 1850 to the present time.

YEARS.	FOR SEA.						FOR INLAND PORTS.	
	Tons for Great Britain.	Tons for British Colonies.	Tons for the U. States.	Tons for other Foreign Countries.	Total Number.	Total Tons.	Total Men.	Quinquennial Averages.
1850,	503,443	18,650	19,812	2,058	1,587	543,963	19,116	*
1851,	610,569	34,860	8,582	2,865	1,807	645,246	21,847	*
1852,	512,581	24,698	5,031	5,760	1,567	578,059	19,673	*
1853,	618,014	33,485	2,700	4,654	1,821	658,853	21,003	3,648,323
1854,	737,768	37,778	1,401	4,808	2,018	781,755	26,286	2,765,569
1855,	412,782	27,545	3,000	7,914	1,219	451,241	15,314	12,190
1856,	536,303	28,623	3,575	5,147	1,582	573,648	19,880	18,503
1857,	683,681	28,513	13,479	5,694	1,848	731,367	23,541	5,987,394
1858,	572,601	41,066	9,350	8,129	1,062	632,046	22,705	6,046,338
1859,	590,109	32,671	12,620	5,171	1,618	640,371	24,184	4,413,389
1860,	773,529	30,883	5,316	12,033	1,923	821,791	28,894	2,877,858
1861,	995,479	42,629	9,833	11,720	2,389	1,059,667	36,678	3,404,708
1862,	845,337	41,875	3,449	14,433	2,124	905,094	31,517	3,605,778
1863,	982,047	44,281	7,864	36,915	2,314	1,071,107	35,723	2,811,296
1864, (6 months,)	252,823	14,586	894	2,834	611	271,137	9,700	3,932,171
1864-5,	1,030,520	48,759	4,322	29,785	2,195	1,113,386	32,400	3,368,432
								1,523,398
								4,065,740

* No returns.

* No returns

Summary Statement of the Quantity and Value of, and Amount of Duty collected on, the articles of British and Foreign Merchandise entered for consumption during the fiscal year ending on 30th June, 1866, of which the imports were valued at \$100,000, and indicating from what country imported.

ARTICLES.	Total Value of Imports.	BRITISH COLONIES.		United States.	France.	Germany.	Other Foreign Countries.	Amount of Duties received.
		Great Britain.	North America.	West Indies.				
<i>Specific and ad valorem.</i>								
30 p. ct.—Brandy, 165,141 gallons, . . .	\$188,425	\$21,879	\$749	—	\$104,757	\$137	\$72	\$80,142 73
10 " Molasses, 2,070,614 gals., . . .	470,697	1,910	34,068	\$27,324	—	—	108,607	143,821 69
5 " Coffee, green, 1,222,833 lbs., . . .	177,687	63,754	2,130	7,146	—	20	6,249	44,822 16
15 " Sugar, refined, 270,786 lbs., . . .	18,069	16,005	119	80	365	706	81	8,986 20
10 " Sugar, other than refined, 37,381,463 lbs., . . .	1,827,516	367,929	98,460	63,851	591,510	—	705,766	925,623 41
15 " Tea, 6,775,501 lbs., . . .	2,313,307	1,658,352	9,173	3	376,703	5	319,601	607,119 31
<i>20 per cent. ad valorem.</i>								
Carpets and hearth rugs, . . .	306,870	303,258	—	—	—	—	11	61,343 80
China, earthen and crockery ware, . . .	191,439	181,956	516	—	2,406	308	12	37,235 72
Cordage, . . .	110,345	92,769	1,213	170	—	—	—	19,091 08
Cottons, . . .	7,149,569	6,955,297	8,236	—	11,591	8,285	—	1,408,842 04
Dried fruit, and nuts of all kinds, 6,612,581 lbs., . . .	323,721	190,619	587	—	22,700	35	75,082	64,252 42
Drugs, not otherwise specified, . . .	190,984	158,572	150	40	2,925	210	—	37,983 11
Fancy goods and millinery, . . .	668,542	482,271	20	24	48,863	12,888	1,226	133,300 90
Glass and glassware, . . .	342,877	108,586	88	—	37,121	9,509	46,101	68,204 76
Hats, caps and bonnets, . . .	369,635	253,534	80	—	1,052	7,361	—	73,327 01
Hosiery, . . .	260,578	253,188	20	—	2,162	3,434	—	51,841 46
Iron and hardware, . . .	1,442,990	901,795	4,632	237	507,970	2,340	3,317	281,879 86
Leather, . . .	249,814	63,075	407	—	158,390	6,257	—	49,667 91

	\$1,019,437	\$1,005,925	\$127	\$10,765	\$311	\$2,300	\$89	\$303,826	51
Linen, Manuf. of leather, or imitation leather.	197,735	72,688	-	17,990	99,068	7,224	765	39,509	73
Musical instruments, including musical boxes and clocks.	-	-	-	-	-	-	-	-	-
Other machinery.	103,688	6,007	-	88,922	714	4,893	3,152	20,607	22
Oils, in any way rectified or prepared.	256,917	44,499	-	211,868	-	-	550	51,381	36
201,909 gallons.	100,885	95,058	84,537	20,546	35,239	335	8,172	31,456	89
Paints and colors.	122,583	95,025	103	23,233	862	3,360	-	21,099	33
Silks, satins and velvets.	1,133,813	975,297	-	59,657	110,026	20,898	7,935	230,590	65
Small wares.	1,234,157	1,091,146	-	98,394	35,109	8,931	577	246,125	70
Wine, all kinds, casks, 578,362 gals.	341,904	82,630	374	1,690	86,068	16,256	154,816	67,605	65
Woolens.	6,855,317	6,353,414	7,969	197,541	125,506	134,036	31,991	1,357,094	91
Unenumerated articles.	263,562	131,646	2,776	116,386	9,091	849	2,537	41,511	70
10 per cent. ad valorem.	-	-	-	-	-	-	-	-	-
Copper, brass, or iron tubes, and piping, when drawn.	133,622	145,361	-	8,261	-	-	-	15,362	04
Cotton yarn and warp.	242,144	100,877	62	111,205	-	-	-	21,028	78
Jewelry and watches.	234,178	179,017	-	32,739	29,584	3,755	9,033	25,352	80
Iron—Canada plates and tin plates.	218,713	218,158	-	532	-	-	-	21,814	46
Iron—Railroad bars, wrought iron chairs and spikes.	125,316	116,197	-	9,119	-	-	-	11,251	75
Steel, wrought or cast.	173,968	101,895	10	13,562	-	501	-	17,350	54
Free Goods.	-	-	-	-	-	-	-	-	-
Animals—horses, 1,239.	104,404	1,688	949	101,767	-	-	-	-	-
Articles for public uses of Province.	439,055	81,232	150	377,417	-	-	256	-	-
Back, berries, nuts, vegetables, woods and dresses used solely in dyeing, and books, (printed) periodicals, and pamphlets, not elsewhere specified.	-	-	-	-	-	-	-	-	-
Carriages, travellers' vehicles, &c.	470,308	250,908	10	207,512	40,493	230	1,165	-	-
Cheese, 1,503,081 lbs.,	181,740	-	-	181,740	-	-	-	-	-
	232,472	13,614	-	217,850	1,008	-	-	-	-

Summary Statement of British and Foreign Merchandise—Concluded.

ARTICLES.	Total Value of Imports.	BRITISH COLONIES.			United States.	France.	Germany.	Other Foreign Countries.	Amount of Duties received.
		Great Britain.	North America.	West Indies.					
Coal and coke, 220,276 tons,	\$906,700	\$119,817	\$30,003	-	\$155,800	-	-	\$960	-
Commissariat and ordnance stores,	136,617	133,736	-	-	2,881	-	-	-	-
Cotton wool,	288,848	7,773	-	-	281,075	-	-	-	-
Flax, hemp and tow, undressed,	185,221	77,289	-	-	107,932	-	-	-	-
Fish, fresh,	123,519	8	4,011	-	119,500	-	-	309	-
Fish, salt,	462,111	5,790	309,612	-	145,646	-	\$754	-	-
Fish oil, crude,	266,457	2,610	195,974	-	67,873	-	-	-	-
Fruit, green,	239,246	13,786	96	-	219,354	-	-	-	-
Furs and skins, pelts or tails, undressed,	148,039	83,533	19,427	-	28,041	-	17,038	-	-
Flour, 81,945 barrels,	402,277	240	10,977	-	390,601	432	21	-	-
Grain, Indian Corn, 2,075,834 bushels,	1,062,012	-	-	-	1,062,012	-	-	-	-
Grain, wheat, 2,018,486 bushels,	2,164,749	-	-	-	2,162,802	-	-	-	-
Hides and horns,	675,129	1,887	1,616	-	657,322	-	-	8,287	-
Meats, fresh, smoked, salt, 7,619,561 lbs.,	771,576	4,075	5,209	-	762,895	-	1,106	285	-
Military and naval stores,	382,083	374,493	4,623	-	9,967	-	-	-	-
Pig iron, pig lead, and pig copper,	472,690	428,363	322	-	33,062	4,566	-	6,377	-
Rice,	212,008	203,162	394	-	6,686	-	1,766	-	-
Sal ammoniac, sal soda, soda ash,	106,891	99,393	38	-	6,892	508	-	-	-
Salt,	384,707	152,602	3,583	-	215,478	68	-	12,676	-
Seeds,	177,094	42,814	49	-	133,556	716	129	-	-
Settler's goods,	882,398	322,808	2,184	\$12	423,767	200	37,822	95,605	-
Tallow, 2,069,754 lbs.,	200,884	462	-	-	200,422	-	-	-	-
Timber and lumber, all sorts, unmanuf.,	140,700	68	2,872	-	137,760	-	-	-	-
Tobacco, unmanuf., 4,620,561 lbs.,	381,048	314	-	-	308,501	-	-	-	-
Wool, 1,640,104 lbs.,	483,079	47,381	-	-	435,698	-	-	-	-

Firearms, &c., as per order in Council, 21st of March, 1866,		Value of total Imports, 1866.	
Tobacco, unmanuf., 4,620,561 lbs.,	381,048	314	308,501
Wool, 1,640,104 lbs.,	483,079	47,381	455,698
Goods paying specific duty,	\$160,534	\$487	\$160,047
specific and ad valorem duties,	185,471	\$1,318	157,176
30 per cent.	5,927,392	156,450	\$101,317
25 "	176,189	566	75
20 "	121,732	6,406	384
15 "	24,976,506	71,649	3,151
10 "	2,019	1,501	481
Free goods, coin and bullion,	2,582,615	1,811	23
Other free goods,	5,191,812	9,631	53
Totals,	15,335,201	3,715,097	619,669
Foreign reprints of English copyright works,	\$53,798,880	\$28,994,530	\$857,922
Grand totals,	\$53,802,319	\$28,994,530	\$857,922

Summary Statement of the Quantity and Value of the Principal Articles of Canadian Produce and Manufacture, exported during the Fiscal Year ending on the 30th June, 1866, of which the Imports were valued at \$100,000, and indicating to what Country exported.

ARTICLES.	TOTAL EXPORTS.		TO WHAT COUNTRY EXPORTED.					
	Quantity.	Value.	Great Britain.	BRITISH COLONIES.		United States.	France.	Germany.
				N. America.	W. Indies.			
<i>The Mine:—</i>								
Copper ore, tons,	3,637	\$213,049	\$198,440	—	—	\$14,609	—	—
Pig and scrap iron, tons,	5,954	132,691	5	—	—	132,686	—	—
<i>The Fisheries:—</i>								
Dried and smoked fish, cwt.,	147,312	730,486	79,381	\$32,324	\$16,860	3,162	—	—
Pickled fish, bbls.,	30,891	116,716	2,097	21,733	2,166	90,720	—	—
<i>The Forest:—</i>								
Pot ashes, bbls.,	29,797	965,199	616,792	354	—	318,049	—	—
Pearl ashes, bbls.,	4,797	139,804	82,384	—	—	57,420	—	—
Elm, tons,	29,483	255,670	250,443	51	—	508	\$1,088	8360
Oak, tons,	64,026	710,861	608,824	934	—	78,828	11,761	9,418
White pine, tons,	450,950	2,324,063	2,088,912	74	40	197,310	23,995	7,478
Red pine, tons,	85,638	593,134	577,273	2,286	150	1,270	9,294	379
Standard staves, mille.,	2,417	346,968	286,166	417	500	27,239	17,223	1,083
Other staves, mille.,	8,441	258,652	151,036	5,416	3,276	85,960	9,028	916
Deals, stand. hund.,	53,947	1,992,033	1,969,817	516	461	7,530	7,681	426
Planks and boards, m. feet.,	465,812	4,683,075	34,531	4,528	4,289	4,608,554	5,611	4,210
Firewood, cords,	240,193	402,566	12	—	12	462,542	—	—
Shingles, mille.,	77,848	161,455	—	12,449	1,566	147,022	418	—
Other woods,	—	198,680	11,564	986	—	182,770	2,360	—
Saw logs, number,	128,336	118,796	—	—	—	118,796	—	—
								1,000

Other Foreign Countries.

CANADIAN EXPORTS.

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Animals and their Produce:—

Horses, number, . . .	27,811	\$2,390,735	—	\$220	—	\$2,590,505	—
Horned cattle, number, . . .	146,611	4,312,322	—	20	—	4,312,442	—
Swine, number, . . .	36,652	319,774	—	—	—	319,774	—
Sheep, number, . . .	167,633	570,202	—	8	—	570,194	—
Poultry, number, . . .	—	190,412	—	24	—	100,388	—
Bacon and hams, cwt., . . .	14,521	174,500	—	769	—	18,835	—
Beef, cwt., . . .	16,216	159,626	—	5,978	—	132,723	—
Butter, lbs., . . .	10,448,789	2,094,270	—	82,056	—	1,251,436	—
Cheese, cwt., . . .	8,703	123,494	—	5,509	—	33,943	—
Eggs, dozens, . . .	1,811,100	211,190	—	275	—	210,907	—
Furs, dressed, . . .	—	473	—	—	—	473	—
Furs, undressed, . . .	—	367,089	—	1,542	—	95,303	—
Hides, . . .	—	107,376	—	1,644	—	103,945	—
Pork, cwt., . . .	74,869	618,536	—	61,517	—	531,041	—
Sheep's pelts, . . .	—	104,188	—	—	—	104,188	—
Wool, lbs., . . .	1,784,733	756,239	—	151	—	753,113	—
<i>Agricultural Products:—</i>							
Barley and rye, bush., . . .	6,355,191	4,623,341	—	4,533	—	4,618,808	—
Flax seeds, bush., . . .	91,241	146,103	—	6	—	145,937	—
Flour, bbls., . . .	855,558	5,198,746	—	1,011,407	—	3,671,250	—
Meal, bbls., . . .	52,481	243,333	—	33,078	—	155	—
Oats, bush., . . .	4,450,102	1,615,185	—	12,326	—	908,158	—
Other seeds, bush., . . .	53,113	115,481	—	3,741	—	110,784	—
Peas, bush., . . .	1,549,519	1,234,215	—	16,619	—	328,670	—
Wheat, bush., . . .	2,339,588	3,106,112	—	10,196	—	3,047,622	—
<i>Manufactures:—</i>							
Hardware, . . .	—	172,922	—	12,189	—	151,915	—
Leather, . . .	—	239,743	—	61,213	—	91,062	—
Wood, . . .	—	108,315	—	18,789	—	52,086	—
Corn and bullion, . . .	—	2,397,591	—	—	—	2,182,618	—

\$4,674

13,123

155

21

71

6,436

32

Summary Statement of Canadian Produce and Manufactures Exported—Concluded.

ARTICLES.	TOTAL EXPORTS.		TO WHAT COUNTRY EXPORTED						
	Quantity.	Value.	Great Britain.	BRITISH COLONIES.		United States.	France.	Germany.	Other Foreign Countries.
				N. America.	W. Indies.				
Other articles,	-	\$668,815	\$4,556	\$18,192	\$352	\$615,925	\$10	-	\$680
<i>Recapitulation:</i> —									
Produce of the mine,	-	422,570	199,345	614	-	222,611	-	-	-
“ “ fisheries,	-	980,311	114,154	76,433	19,026	171,908	-	-	598,790
“ “ forest,	-	13,846,986	7,144,317	30,089	10,394	6,461,015	111,174	\$32,035	57,962
Animals and their products,	-	12,082,683	1,326,055	166,990	-	11,184,741	68	-	4,829
Agricultural products,	-	16,651,074	2,217,975	1,114,049	6,394	13,298,008	400	-	14,248
Manufactures,	-	989,936	168,780	164,749	27,827	604,335	40	-	21,205
Coin and bullion,	-	2,397,591	214,973	-	-	2,182,618	-	-	-
Other articles,	-	668,815	4,556	18,192	352	615,925	10	-	680
Total value of exports,	-	\$48,639,966	\$11,390,155	\$1,571,116	\$63,993	\$34,770,261	\$111,692	\$32,035	\$700,714
Fifty-eight vessels,*	-	1,616,886	1,591,486	-	-	-	4,640	20,700	-
Total value of reported exports,	-	\$50,256,852	\$12,981,641	\$1,571,116	\$63,993	\$34,770,261	\$116,332	\$52,735	\$700,714

* Built at Quebec during the fiscal year ending 30th June, 1906. Thirty-eight, 27,353 tons, at \$40 per ton; and twenty, 12,897 tons, at \$38 per ton.

EXPORTS FROM CITIES.

227

Value of Exports from Quebec,	\$9,029,829
“ “ Montreal,	6,831,635
“ “ Gaspé and outports,	886,360
“ “ Rimouski,	37,899
“ “ New Carlisle,	1,587
Total from Sea Ports,	\$16,787,310
“ “ Inland Ports, as reported,	33,469,542
	\$50,256,852
Estimated amount short returned at Inland Ports,	4,183,692
Goods not the produce of Canada,	1,877,836
Grand Total of exports for fiscal year ending 30th June, 1866,	\$56,328,380

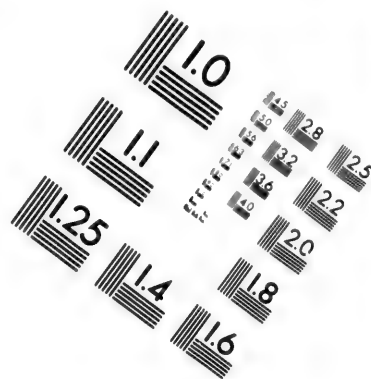
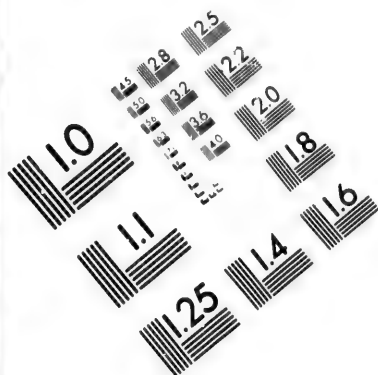
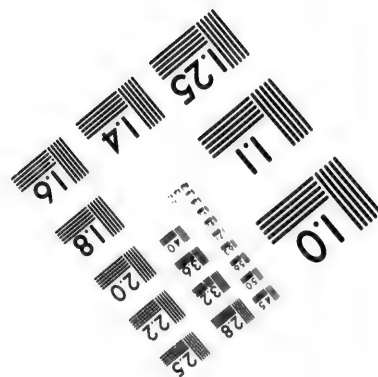
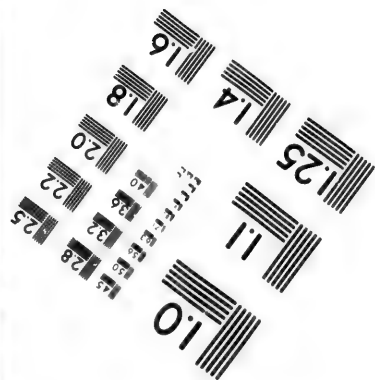
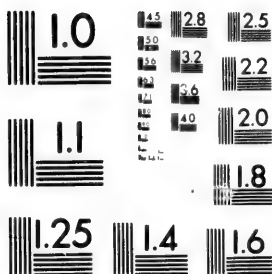


IMAGE EVALUATION TEST TARGET (MT-3)



45
28
32
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10

United States, . . . 3,429,672 3,016,848 2,708,376 3,120,456 3,303,442 3,014,736 2,960,703 3,550,383 3,316,824 3,056,362
 Saint Thomas, . . . - - - - - - - - - - - 2,148

Hayti, . . .	-	\$143,549	\$15,125	\$99,777	\$28,344	\$33,672	\$73,370	\$1,129	\$1,302	\$2,199
Cuba & Porto Rico, . . .	-	897	-	225	182	32	-	9	178,302	121,739
St. Pierre Miquelon, . . .	-	-	-	-	235	292	-	472	-	-
Saint Martin's, . . .	-	-	-	-	-	-	-	-	68	-
Martinique, . . .	-	-	-	-	-	-	-	-	886	1,205
Uruguay, . . .	-	-	-	-	-	-	-	-	-	-
Mexico, . . .	-	-	-	-	135	-	-	-	-	-
B. N. A. Colonies, . . .	\$1,029,024	-	-	-	-	-	-	-	-	-
British W. Indies, . . .	37,022	-	-	-	-	-	-	-	2,595	-
Other B. Colonies, . . .	6,730	-	-	-	-	-	-	-	-	-
Foreign countries, . . .	-	-	-	-	-	-	-	-	-	-
except U. S., . . .	214,401	-	-	-	-	-	-	-	-	-
Totals, . . .	\$7,301,654	\$6,810,926	\$5,581,300	\$6,796,963	\$6,944,352	\$5,943,039	\$6,199,701	\$7,658,462	\$8,945,352	\$7,086,595
Quinquennial Av'gs, . . .	-	-	-	-	\$6,687,039	-	-	-	-	\$7,166,630

Statement of Exports from New Brunswick.

	1856.	1857.	1858.	1859.	1860.	1861.	1862.	1863.	1864.	1865.
United Kingdom, .	\$3,587,392	\$2,997,322	\$2,566,358	\$3,438,893	\$2,626,387	\$3,077,039	\$2,283,785	\$2,888,482	\$2,732,733	\$2,594,651
Guernsey, Jersey, &c.	-	14,371	13,435	4,833	1,459	7,900	5,665	-	3,870	-
Gibraltar, .	-	-	-	-	-	-	-	-	-	-
Cape of Good Hope, .	-	-	-	998	-	-	-	-	-	2,189
British East Indies, .	-	-	-	-	-	-	-	-	-	-
Australia, .	-	4,526	5,568	1,493	-	-	-	1,532	5,028	-
Canada, .	-	4,243	8,554	35,866	44,943	54,202	48,000	43,112	60,044	86,237
Newfoundland, .	-	31,426	31,541	36,173	18,821	18,482	11,855	12,232	7,467	12,569
P. E. Island, .	-	47,794	32,218	68,174	87,715	59,879	80,932	98,771	85,261	99,548
Nova Scotia, .	-	373,776	286,478	301,891	306,192	286,016	341,027	400,524	556,924	599,331
Bermuda, .	-	-	-	-	-	-	-	1,294	5,695	-
Bahamas, .	-	-	-	-	-	-	35,804	22,876	42,740	8,755
Antigua, .	-	4,949	9,108	-	-	2,281	1,817	3,016	-	-
Nevis, .	-	-	-	-	-	-	1,419	1,613	-	-
Saint Kitts, .	-	-	-	-	-	-	-	-	969	1,277
Barbadoes, .	-	43,992	37,445	40,694	24,043	38,414	26,198	33,918	43,338	25,953
Trinidad, .	-	-	2,650	2,170	-	-	-	1,920	-	-
British Guiana, .	-	11,582	5,126	9,864	-	8,920	-	-	-	-
Jamaica, .	-	6,187	840	4,848	9,634	3,432	5,955	4,400	-	2,697
Holland, .	-	-	-	-	-	-	-	-	8,640	-
France, .	-	936	-	3,067	10,392	32,644	14,373	13,162	1,008	2,677
Austria, .	-	-	-	-	-	-	-	-	7,490	15,068
Spain, .	-	11,381	26,381	13,306	4,363	8,400	7,248	10,500	8,826	9,326
Portugal, .	-	-	-	-	-	-	-	1,966	-	2,899
Teneriffe, .	-	-	-	-	-	-	-	-	3,854	-
Fayal, .	-	-	-	-	-	-	829	-	-	-
Italy, .	-	6,413	-	-	-	-	-	1,170	11,737	14,308

EXPORTS CONTINUED.

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Italy, 6,413 14,303 11,737

Naples,	-	-	-	-	\$5,558	-	\$11,054	\$11,236	-	-	-
Madeira,	-	-	-	-	-	-	-	-	-	-	\$4,993
Morocco,	-	-	-	-	-	-	-	-	-	-	-
Cape de Verd Isl'ds,	-	-	-	-	-	-	-	-	-	-	-
United States,	\$832,728	761,746	\$785,769	1,132,867	1,192,214	1,200	889,416	1,244,915	\$1,266,148	1,737,208	-
Saint Thomas,	-	-	1,978	1,262	-	-	8,417	7,230	2,803	4,729	-
Haiti,	-	-	-	-	-	-	2,578	21,915	1,613	5,266	-
Cuba & Porto Rico,	-	53,409	72,014	34,421	39,451	-	76,083	83,139	158,424	300,528	-
St. Pierre Miquelon,	-	4,560	6,216	2,117	4,445	-	1,957	3,238	3,481	4,686	-
Dutch Guiana,	-	-	-	-	-	-	-	-	2,580	-	-
Martinique,	-	-	-	998	-	-	-	-	-	-	-
Gadeloupe,	-	-	-	1,133	-	-	1,082	13,275	3,665	1,600	-
Montevideo,	-	1,200	-	-	-	-	-	7,879	16,122	12,351	-
Chili,	-	20,856	-	16,869	21,708	-	-	-	6,999	7,947	-
Mexico,	-	-	-	-	-	-	834	-	6,425	7,910	-
B. N. A. Colonies,	513,360	-	-	-	-	-	-	-	-	-	-
British W. Indies,	34,968	-	-	-	-	-	-	-	-	-	-
Other B. Colonies,	52,152	-	-	-	-	-	-	-	-	-	-
Foreign countries,	-	-	-	-	-	-	-	-	-	-	-
except U. S.,	129,484	-	-	-	-	-	-	-	-	-	-
Totals,	\$5,152,084	\$4,405,320	\$3,891,739	\$5,152,425	\$4,398,585	\$4,540,039	\$3,856,538	\$4,940,781	\$5,033,879	\$5,531,736	-
Quinquennial Av'gs,	-	-	-	-	\$4,000,330	-	-	-	-	\$4,786,933	-

NOVA SCOTIA.

I.—*Imports*.—The Imports into Nova Scotia since 1852 have been of the undermentioned value in Halifax dollars:—

Y E A R.	Value.	Y E A R.	Value.
1852,	\$5,970,877	1859,	\$8,100,955
1853,	7,085,431	1860,	8,055,439
1854,	8,955,410	1861,	7,603,227
1855,	9,413,515	1862,	8,445,042
1856,	9,349,160	1863,	10,201,391
1857, (9 months,)	7,246,390	1864,	12,604,642
1858,	8,075,590	1865,	14,381,662

IMPORTS FROM	1864.	1865.
Great Britain,	\$5,407,843	\$6,315,988
Canada,	403,956	508,935
New Brunswick,	375,307	694,159
Newfoundland, &c.,	220,960	186,308
Prince Edward Island,	188,843	203,371
British West Indies,	440,767	667,206
Dutch West Indies,	1,123,557	669
French West Indies,		12,105
Spanish West Indies,		1,273,247
St. Domingo,		3,870
United States,	4,303,016	4,325,857
Brazil,	—	6,493
France,	—	48,513
Madeira,	6,236	5,239
Mexico,	—	1,661
Portugal,	9,567	46,428
Prussia,	—	125
Holland,	17,076	25,445
Spain,	39,523	52,337
St. Pierre,	1,991	4,476
Total,	\$12,604,642	\$14,381,662

The duties on these imports were, in 1864, \$964,432.70; in 1865, \$1,040,583.

The nature of the Imports in 1865 is shown by the following table:—

ARTICLES.	TOTAL IMPORTS.	
	Quantity.	Value.
Ale and Porter,	103,330 gals., . . .	\$54,171
Animals, horned cattle 8,	118 hrses, 331 sheep,	12,518
Arms and Ammunition, lbs. 7,745,	4,082 pks., . . .	16,648
Beef, Pork, Hams, carc. 221,	576 lbs., 12,891 bbls.,	212,077
Bread, fine,	86,333 lbs., . . .	8,843
Bread, Navy, pkgs. 648,	109,167 lbs., . . .	7,737
Burning Fluid,	1,549 gals., . . .	1,936
Butter and Lard, pkgs. 13,	224,891 lbs., . . .	33,923
Candles, Tallow,	61,869 lbs., . . .	9,334
" other,	29,127 lbs., . . .	5,974
Cheese,	73,271 lbs., . . .	9,890
Chocolate or Cocoa Paste,	159 lbs., . . .	37
Cinnamon or Cassia,	1,097 lbs., . . .	326
Clocks,	716 pkgs., . . .	5,473
Coal, chald. 510,	8,980 tons, . . .	57,092
Coffee, green,	317,560 lbs., . . .	51,604
" roasted,	15,507 lbs., . . .	2,817
Cordage and Canvas,	-	423,764
Cotton, Linen, Silk, &c.,	13,637 pkgs., . . .	2,626,466
Cotton Warp, &c.,	370 pkgs., . . .	46,215
Confectionary,	743 lbs., 606 pks., . . .	11,072
Drugs, Dycstuffs, &c., lbs. 444,526,	8,393 pks., . . .	117,002
" Patent Medicines, 60 lbs.,	671 pks., . . .	13,766
Earthenware, Glass and China,	200,085 pkgs., . . .	121,205
Flour, Wheat,	355,358 bbls., . . .	1,875,104
" all other, bags, 555,	26,943 bbls., . . .	106,576
Fruit, Apples, Pears, &c.,	3,312 pkgs., . . .	17,392
" Raisins,	398,536 lbs., . . .	39,564
" other, including nuts, 19,500,	310 lbs., 2,526 pks., . . .	19,069
Fish, dry fish,	3,244,578 lbs., . . .	86,250
" Herring, Alewives, boxes, 10,991,	88,051 bbls., . . .	143,622
" Salmon, Trout, boxes, 1,591,	2,130 bbls., . . .	48,588
" Mackerel, Shad, &c.,	3,900 bbls., . . .	25,934
" Shellfish, &c., bushels, 1,461,	5,611 pkgs., . . .	32,959
Groceries, lbs. 5,080, gls. 12,769,	11,207 pks., . . .	86,882
Ginger, Pepper and Pimento,	7,415 lbs., . . .	1,335
Grain, Rice, lbs. 143,537,	1,994 pks., . . .	18,899
Grain, other than Rice, bushels, 209,951,	342 pks., . . .	117,794
Hardware, 1st, lbs. 9,235,	69,568 pcs. and pks.	664,347
" 2d, lbs. 1,571,437,	238,055 pcs. and pks.	473,497
" 3d, lbs. 760,636,	13,312 pkgs., . . .	271,645
Hats and Caps,	1,003 pkgs., . . .	65,022
Hides and Skins, undressed,	No. 35,311, 246 pks., . . .	64,653
India Rubber manufactures,	632 pkgs., . . .	15,225
Jewelry, including Watches and Toys,	492 pkgs., . . .	61,861
Leather manufactured, including Furs,	4,159 pkgs., . . .	214,334
" Sole,	290,791 lbs., . . .	71,706
Molasses and Treacle,	2,008,345 gals., . . .	425,432
Naval Stores, incl. oakum, lbs. 58,658,	5,506 pks., . . .	27,583
Oil, Rock and Coal,	205,384 gals., . . .	93,718
" Fish,	62,034 gals., . . .	43,397

ARTICLES.	TOTAL IMPORTS.	
	Quantity.	Value.
Oil, Linseed, etc., pkgs. 477,	103,969 gals.,	\$72,569
Paper Manufactures, includ'g Stationery,	3,133 pkgs.,	68,717
Printed Books, etc.,	3,852 pkgs.,	114,455
Paint and Putty,	562 lbs., 1,825 pks.,	14,422
Spirits, Brandy and Cordials,	59,942 gals.,	92,014
“ Geneva and Whiskey,	116,613 gals.,	65,445
“ Rum,	292,752 gals.,	132,708
“ or Strong Waters,	185 gals.,	455
“ Wine, dozens, 3,437,	90,917 gals.,	130,327
Sugar, raw,	13,415,781 lbs.,	794,954
“ refined,	795,953 lbs.,	76,214
Salt, pkgs. 1,059,	1,004,333 bush.,	334,134
Stone, manufactured, pkg. 1,673,	1,764,662 No.	17,766
“ unmanufac. includ'g lime, tons 8,	276,039 pc. 16,351 pk	25,479
Tea, black,	1,546,075 lbs.,	515,890
“ green,	1,183 lbs.,	825
Tobacco, viz., Leaf, pkgs. 4,	507,989 lbs.,	54,156
“ manufactured,	317,029 lbs.,	98,464
“ Cigars and Snuff,	508 pkgs.,	28,634
Vegetables, Onions, pkgs. 157,	696,014 lbs.,	12,330
“ all other, pkgs. 448,	155,073 bush.,	52,480
Woodware, manufactured,	37,505 pkgs.,	131,115
“ unmanufactured,	- - - - -	105,138
Unenumerated articles,	- - - - -	34,523
“ “	- - - - -	1,585
“ “	- - - - -	2,413,632
Sundries from Warehouse,	- - - - -	-
Total,		\$14,381,662

II.—*Exports*.—The value of the total Exports of Nova Scotia since 1852 has been :—

YEAR.	Value.	YEAR.	Value.
1852,	\$4,853,900	1859,	\$6,889,130
1853,	5,393,535	1860,	6,619,539
1854,	6,238,340	1861,	5,774,334
1855,	7,361,075	1862,	5,646,967
1856,	6,864,790	1863,	6,546,488
1857, (9 months,)	5,135,940	1864,	7,172,817
1858,	6,321,490	1865,	8,830,693

The countries to which the Exports were sent in 1864 and 1865 were:—

	1864.	1865.
Great Britain,	\$330,523	\$764,742
Jersey,	20,219	20,017
Canada,	330,587	438,191
New Brunswick,	643,699	477,944
Newfoundland,	477,455	468,669
Labrador,	6,316	49,473
Prince Edward Island,	255,976	315,950
British West Indies,	1,899,031	1,966,459
Dutch,	644,255	1,617
Danish,		9,069
French,		153,275
Spanish,		380,894
St. Domingo,	2,446,770	21,067
United States,		3,619,797
Brazil,	26,263	12,000
Montevideo,	—	507
Africa,	2,896	45,690
France,	—	2,500
Madeira,	6,293	8,870
Mexico,	11,485	14,331
Italy,	17,883	18,161
Portugal,	12,180	9,160
Belgium,	—	3,076
Spain,	15,582	10,280
New Hebrides,	855	—
Mauritius,	6,346	—
St. Pierre,	17,572	18,884
Total,	\$7,172,816	\$8,830,693

III.—*Nature of Exports.*—The Exports consisted chiefly of Fish, Coal, Lumber and West India produce. The values of the principal exports in 1864 and 1865 were:—

	1864.	1865.
Fish,	\$2,946,540	\$3,282,016
Fish Oil,	101,702	194,505
Coal,	806,314	1,253,650
Lumber,	880,556	776,034
Sugar,	279,366	588,753
Molasses,	254,086	380,600
Horned Cattle,	226,116	291,948
Butter and Lard,	149,823	114,133

IV.—*Tonnage inward and outward.*—The Tonnage inward and outward in 1865 was :—

	Vessels.	Tons.	Crews.
Inwards,	6,834	929,929	49,683
Outwards,	5,681	772,017	40,393

Of the above there were British vessels :—

	Vessels.	Tons.	Crews.
Inwards,	4,412	535,666	30,424
Outwards,	5,189	643,704	36,090

PRINCE EDWARD ISLAND.

I.—*Imports.*—The value of the Imports into Prince Edward Island since 1860 has been :—

Y E A R.	Value.	Y E A R.	Value.
1860,	\$1,150,270	1863,	\$1,467,156
1861,	1,049,678	1864,	1,689,639
1862,	1,056,204	1865,	1,905,075

Imports of 1864 and 1865 were from the following countries :—

	1864.	1865.
United Kingdom,	\$770,767	\$800,655
Canada,	22,957	36,820
Nova Scotia,	290,169	350,840
New Brunswick,	137,933	221,990
Newfoundland,	15,195	15,555
West Indies,	33,543	23,960
United States,	418,303	454,000
St. Pierre,	772	1,255
Total,	\$1,689,639	\$1,905,075

The detailed imports for 1865 are not yet made up, but the leading articles imported are dry goods, tea, sugar and cordage.

II.—*Exports*.—The exports of Prince Edward Island since 1860 have been of the following values:—

YEAR.	Value.	YEAR.	Value.
1860,	\$1,007,171	1863,	\$1,047,363
1861,	815,572	1864,	1,013,340
1862,	752,745	1865,	1,512,825

These were sent in 1864 and 1865 to the undermentioned countries:—

	1864.	1865.
United Kingdom,	\$185,463	\$327,950
Canada,	2,936	10,080
Nova Scotia,	244,773	273,805
New Brunswick,	93,458	129,075
Newfoundland,	55,297	72,295
West Indies,	38,501	37,035
United States,	387,213	654,820
St. Pierre,	5,700	7,765
Total,	\$1,013,341	\$1,512,825

These values do not include the value of ships sold and transferred, which was, in 1864, \$639,660; and in 1865, 118 vessels, 22,700 tons, \$737,750.

III.—*Nature of Exports*.—The staple exports of Prince Edward Island are oats and potatoes. The returns do not show the value of the total exports of particular articles, but a table was published in 1864, giving the following as the quantities exported from 1860 to 1863:—

YEAR.	Oats, bus.	Barley, bushels.	Potatoes, bushels.	Turnips, bushels.	Oatmeal, tons.	Dry Fish, quintals.	Pickled Fish, qts.	Pork and Beef, bbls.
1860, .	1,290,062	103,756	519,198	45,108	196	12,908	14,972	2,209
1861, .	948,620	48,411	419,861	36,792	235	13,754	10,630	2,048
1862, .	943,109	50,229	327,964	17,045	219	6,931	4,753	2,380
1863, .	1,459,130	74,959	408,122	9,893	201	15,086	7,570	491

IV.—*Tonnage Inward and Outward.*—The tonnage inward and outward at the various ports of the island in 1864 and 1865 was :—

	INWARD.			OUTWARD.		
	Vessels.	Tons.	Crews.	Vessels.	Tons.	Crews.
British, . .	1,411	157,402	7,797	1,483	176,070	8,173
Foreign, . .	47	6,496	401	45	6,486	421
1865, . .	1,458	163,898	8,198	1,528	182,556	8,594
1864, . .	1,206	138,912	6,856	1,334	162,759	7,853

NEWFOUNDLAND.

I.—*Imports and Exports.*—The imports of Newfoundland in 1865 were of the value of \$5,299,603; the exports of the value of \$5,493,005. The details not having yet reached the mainland, we give the table which shews the direction of the trade in 1864 :—

COUNTRIES.	Imports.	Exports.
United Kingdom,	\$2,276,540 00	\$1,415,615 00
Jersey,	71,040 00	16,845 00
Canada,	226,250 00	63,605 00
Nova Scotia,	509,295 00	108,605 00
New Brunswick,	12,705 00	5,395 00
Prince Edward Island,	44,250 00	6,385 00
British West Indies,	76,960 00	409,665 00
Malta,	—	8,425 00
Hamburg,	204,895 00	—
Spain,	29,165 00	1,214,020 00
Portugal,	37,170 00	912,835 00
Italian States,	—	194,005 00
Sicily,	3,450 00	—
Sardinia,	450 00	—
Greece,	—	8,000 00
United States,	1,534,255 00	208,870 00
Foreign West Indies,	300,765 00	208,110 00
Brazil,	—	776,345 00
St. Pierre,	8,120 00	105 00
Totals,	\$5,335,310 00	\$5,556,630 00

II.—*Nature of Trade.*—The imports of Newfoundland are chiefly broadstuffs and animal food. In 1864 the imports were—

Of Flour, (bbls.,)	.	.	202,718 ; value \$912,230 00
Bread, (cwt.,)	.	.	35,778 ; " 13,590 00
Pork, (bbls.,)	.	.	26,157 ; " 40,55 00
Butter, (cwt.,)	.	.	16,536 ; " 254,500 00

besides the usual assortment for a population of consumers only of dry goods, groceries, &c.

The exports were exclusively of Fish, and the products of animals living in the water. In 1864 the chief exports of this nature were:—

Dry Cod, (qtls.,)	.	.	849,339 ; value \$3,977,300 00
Haddock, (qtls.,)	.	.	1,024 ; " 136,590 00
Herring, pickled, (bbls.,)	.	.	40,290 ; " 151,085 00
Salmon, (trs.,) 1,763 ; (bbls.,)	.	.	1,251 ; " 46,600 00
Cod Oil, (trs.,)	.	.	2,253 ; " 568,785 00
" " refined, (trs.,)	.	.	171 ; " 131,900 00
Seal Oil, (trs.,)	.	.	1,605 ; " 381,235 00
Seal Skins, (No.)	.	.	125,950 ; " 94,465 00

III.—*Tonnage Entered and Cleared.*—The tonnage entered and cleared at the various ports of Newfoundland in 1864 was :

	Vessels.	Tons.	Crews.
Entered,	1,115	148,834	8,627
Cleared,	941	132,319	7,712

[Extract from Report of WILLIAM SMITH, Esq., Controller of New Brunswick.]

Abstract of Shipping registered in the Province of New Brunswick on December 31st of each year from 1856 to 1865 respectively.

PORTS.	1850.		1857.		1858.		1859.		1860.	
	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.
Saint John,	585	135,713	543	133,669	497	114,457	489	112,420	492	123,425
Miramichi,	110	16,051	126	18,363	119	14,925	126	13,556	132	14,910
St. Andrew's,	197	12,462	188	8,476	196	9,713	196	8,079	201	8,748
Total,	892	164,226	857	160,508	812	139,095	811	134,055	825	147,083

Abstract of Shipping registered in the Province, &c.—Continued.

PORTS.	1861.		1862.		1863.		1864.		1865.	
	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.
Saint John,	486	137,873	475	135,247	521	174,134	570	185,700	628	203,783
Miramichi,	120	9,338	132	10,826	140	15,379	145	21,446	146	21,139
St. Andrew's,	207	11,029	207	11,645	230	22,107	243	26,079	245	24,773
Total,	813	158,240	814	157,718	891	211,680	958	233,225	1,019	249,695

Total value in dollars of the Imports and Exports of the Province of New Brunswick at each of the ports, in the year ending 31st December, 1865.

	Imports.	Exports.
Saint John,	\$5,373,605	\$3,510,978
Dalhousie,	75,362	114,568
Bathurst,	116,033	103,740
Campbelton,	17,416	3,953
Caraquet,	47,389	70,960
Shippegan,	20,856	42,056
Newcastle,	139,086	160,876
Chatham,	267,286	239,012
Richibucto,	68,173	155,696
Buctouche,	769	36,742
Shediac,	122,361	149,924
Bay Verte,	4,361	-
North Joggings,	150	3,774
Sackville,	37,357	10,184
Dorchester,	17,996	25,775
Moncton,	74,026	9,193
Hillsborough,	6,494	171,597
Harvey,	4,966	9,911
Saint George,	33,884	134,709
Saint Stephen,	232,865	84,996
Saint Andrew's,	289,543	359,479
West Isles,	32,969	38,796
Frederickton,	100,057	97,020
Woodstock,	1,951	778
Grand Falls,	1,312	-
Tobique,	328	-
	\$7,086,595	\$5,534,726
Sterling,	£1,476,374	£1,153,068

Total Value in Dollars of the Imports and Exports of the Province of New Brunswick from and to each Country, in the Year ending 31st December, 1865.

	Imports.	Exports.
United Kingdom,	\$2,284,449	\$2,594,651
Jersey,	17,631	-
British Asia, viz., Bombay,	-	2,189
Africa, viz., Morocco,	-	4,993
Canada,	247,374	86,237
Nova Scotia,	1,071,463	569,301
Prince Edward Island,	115,570	99,548
Newfoundland,	4,117	12,569
Barbadoes,	17,947	25,953
Saint Kitts,	940	1,277
British Guiana,	-	2,697
Bermuda,	3,064	-
Nassau,	94,439	8,755
Turks' Island,	550	-
France,	32,375	15,068
Spain,	909	9,326
Portugal,	3,070	2,899
Holland,	9,074	2,677
Italy,	-	14,308
United States,	3,056,362	1,737,208
Mexico,	-	7,910
Cuba and Porto Rico,	121,799	300,528
Hayti,	2,019	5,266
Saint Martin's,	1,295	-
Saint Pierre Miquelon,	-	4,686
Saint Thomas,	2,148	4,729
Guadeloupe,	-	1,600
Valparaiso,	-	7,947
Montevideo,	-	12,354
	\$7,086,595	\$5,534,726
Sterling,	£1,476,374	£1,153,068

The duties in the Maritime Provinces are generally low—ranging from 3 to 18 per cent.

SHIP BUILDING.

A first-class ship now costs per ton,—

At Boston—Currency, \$100—Gold \$75.

At Bath “ “ \$84 “ \$63.

At St. John, N. B., about “ \$48.

The Boston ship, however, is usually finished more expensively than the Bath ship. The Bath ship is worth when built 10 to 20 per cent more than Provincial vessel. The difference is chiefly in the material of the hull. In American vessels, oak takes the place of Provincial beech, birch, spruce, and hachmetac.

A first-class St. John ship rates at Lloyds, A 1 for 7 years. A first-class American ship will rate A 1 for 10 to 12 years. The American ship is superior in strength and durability, and if duties on iron, cables, sails and rigging, are reduced, and we again return to specie, ship-building will revive.

Intelligent merchants estimate the duties on a ship built at this time in the United States, at 30 per cent. on her cost. These duties must be reduced, or we cannot compete with the cheaper vessels of the provinces and North of Europe. Some of our merchants have recently built vessels at Quebec to sail under the British flag.

LUSTRE, OR COMBING WOOL.

During the war, many worsted mills were started in the United States, and supplied with the long wool of Canada, produced by the Cotswold sheep; very little, if any of which has been raised in the United States.

We formerly imported worsteds to the amount of nearly \$30,000,000 annually, and it has been computed that we were making nearly half that amount here when the treaty was repealed. The heavy duty now imposed has given a serious check to this important and growing branch of manufactures, and is compelling the new worsted mills to discontinue their business. The duty benefits no one.

SHIPMENTS OF LUMBER FROM ST JOHN.—Wood Export and Comparative Statement.

P O R T S .	SHIPMENT FOR YEAR 1866.						SHIPMENT FOR YEAR 1865.						SHIPMENT FOR YEAR 1864.					
	Ships.	Tons.	Superficial feet Deals	& Boards.	Tons Pine.	Tons Birch.	Ships.	Tons.	Superficial feet Deals	& Boards.	Tons Pine.	Tons Birch.	Ships.	Tons.	Superficial feet Deals	& Boards.	Tons Pine.	Tons Birch.
To Liverpool, . .	106	106,077	73,692,655		13,602	6,690	106	110,172	79,546,000		12,310	4,070	115	114,719	85,307,995			6,078
London, . .	25	20,057	15,454,106				33	29,629	22,131,058			108	18	12,406	9,735,958	7,586		206
Brit. Channel, . .	40	21,113	14,712,498		50	1,376	26	16,404	12,349,459			1,103	30	16,875	13,727,697	416		1,039
East Coast, . .	12	6,271	3,893,620		695	1,351	9	3,494	1,244,442		1,959	1,080	16	7,086	4,646,135	765		1,679
Ireland, . .	99	47,348	40,058,558		348	565	86	39,867	33,517,933		226	893	82	34,470	30,131,247	516		204
Clyde, . .	23	12,029	7,698,772		2,690	918	26	13,320	7,815,627		3,885	1,516	22	11,857	7,213,003	4,538		1,479
Totals, . .	305	212,895	156,410,159		17,385	10,900	286	211,886	158,614,519		18,380	8,767	283	197,343	150,762,035	13,821		10,712

P O R T S .	SHIPMENT FOR YEAR 1866.						SHIPMENT FOR YEAR 1865.						SHIPMENT FOR YEAR 1864.					
	Ships.	Tons.	Boards.	M. Palings.	M. Laths.	Shooks.	Ships.	Tons.	Boards.	M. Palings.	M. Laths.	Shooks.	Ships.	Tons.	Boards.	M. Palings.	M. Laths.	Shooks.
To United States, . .	423	42,471	28,531,658	2,231	41,609	6,340	378	38,011	32,278,633	2,932	19,419	18,469	177	19,318	11,468,660	5,950	9,614	5,038
Cuba, . .	116	28,965	8,270,941	—	—	546,523	86	20,574	6,234,627	—	37	409,424	46	11,351	3,337,350	11	—	212,344
Windward Isl., . .	28	4,680	3,782,972	—	18	972	19	3,365	2,362,484	3	116	—	38	5,408	3,860,862	26	10	—
Australia, . .	1	647	405,782	20	100	—	18	6,451	4,803,163	44	222	—	22	6,566	4,869,862	34	145	—
Montevideo, . .	6	2,431	1,925,970	16	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Teneriffe, . .	1	166	151,873	6	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Totals, . .	575	79,360	43,069,196	2,273	41,727	554,091	501	68,401	45,678,807	2,976	19,794	427,893	283	42,643	23,536,104	6,021	9,769	217,382

17,594,000 Shingles.	8,551 Knees.	6,580 Sleepers.	24,431 Knees.	859,000 Shingles.
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COMMERCE OF BOSTON WITH THE PROVINCES AT THE CLOSE OF 1866.

While the imports and exports of this port continue to increase when compared with those of the corresponding months of 1866, the trade with the Maritime Provinces continues to decline.

For the quarters ending Dec. 31, 1865 and 1866, the imports and exports at the port of Boston have been as follows, in trade with the Maritime Provinces, viz. :—

IMPORTS.

Fourth quarter of 1865,	\$1,357,302
of 1866,	983,199
Decrease, $27\frac{1}{2}$ per cent.,	<u>\$374,103</u>

EXPORTS.

Fourth quarter of 1865,	\$991,653
of 1866,	857,321
Decrease, $13\frac{1}{2}$ per cent.,	<u>\$134,332</u>

A large part of the exports in 1866 consisted of Canadian flour, in bond. Deducting this, the diminution will be 26 per cent.

If the high duties on Provincial wool are continued, a diminution in the import of wool may be anticipated, and its increased cost must add to the cost of our manufactures.

CANADIAN RAILWAYS.

Receipts for 1866,	\$10,968,963
for 1865,	10,793,378
Increase,	<u>\$175,585</u>

Totals, . .	575	79,360	43,069,196	2,273	41,727	554,091	501	68,401	45,678,807	2,976	19,794	427,893	283	42,643	23,536,104	6,021	9,769	217,382
17,594,000 Shingles.			8,551 Knees.		6,580 Sleepers.				9,157,000 Shingles.		24,431 Knees.						859,000 Shingles.	